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The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 157 Number 4172
New York, N. Y., Thursday, April 29, 1943
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OUR REPORTER'S REPORT

The large-scale refinancing operation charted by the Public Service Company of Indiana now shapes up as likely to be the first sizeable corporate issue to reach market in the wake of the Treasury's current war financing drive.

The company has in registration with the Securities and Exchange Commission $38,000,000 of first mortgage 30-year bonds of Series E, for which bids are expected to be opened around May 10 next or within about a fortnight.

Funds raised through the sale of the projected new issue will be applied toward redemption at 106¼, of a corresponding amount of outstanding Series A 4s which are not scheduled to mature until September, 1969.

Should the bonds be sold to underwriters along about May 10, as now anticipated, public offering would be looked for within a couple of days thereafter.

Currently there is little to indicate any vigorous activity on

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In This Issue

OHIO SECURITIES section containing information and comment pertinent to dealer activities in that State starts on page 1574.

Special editorial material pertaining to SAVINGS and LOAN ASSOCIATIONS starts on page 1580. The State of Indiana is featured this week.

The Future Of The Gold Standard

In an authoritative article which appeared in the "Chronicle" April 1, bearing the above caption, Dr. Edwin Walter Kemmerer, Professor of International Finance in Princeton University, discussed the post-war monetary situation and expressed the conviction that the doctrines of the gold-standard school would prevail and we would be spared the chaos that would ensue if each country adopted its own nationalistic paper-money standard. The "Chronicle" invited comments from its readers regarding the views expressed by Dr. Kemmerer, and some of the letters received were given in our issues of April 8, 15 and 22. Additional ones are given herewith:

RENO ODLIN
President,
The Puget Sound National Bank,
Tacoma, Wash.

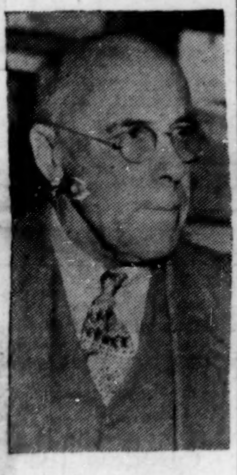
Reno P. Odlin

I share Dr. Kemmerer's feelings on the merits of the matter; I only question the possibility of arousing sufficient understanding and appreciation of the economics of the matter on the part of the general public. It is an unfortunate fact that demagogues still use the phrase "gold standard" in a political sense to work on the prejudices and passions of the uninformed.

A good many many people, particularly members of the organized farm and organized labor groups have been led into a conviction that there is something inherently evil about gold and about the gold standard; something sinister. It's a large job to correct such basic illiteracy.

But it's a piece of educational work that should be attempted and followed up, even though it seems pretty discouraging.

E. S. PILLSBURY
Chairman of Board and President,
Century Electric Company,
St. Louis, Mo.



E. S. Pillsbury

In promoting a better understanding of such problems as "Monetary Solvency" and "The Future of the Gold Standard," through the publication of the articles by Doctors Spahr and Kemmerer, and the opening of your columns for their discussion, I consider that you are rendering industry and the country a great service.

For a long time I have believed that our economic difficulties are due, for the most part, to failure to appreciate the importance of monetary measurements capable of building a price structure reflecting the supply and deman relationship.

Dr. Kemmerer's article, illuminating as it is, seems to me to

(Continued on page 1586)

A Sociologist Envisions Marked Changes In The Post-War World

Family life and social relationships will be sharply changed in the post-war days ahead, Dr. James H. S. Bossard, professor of sociology and director of the William T. Carter Foundation of the University of Pennsylvania, told the annual Economic Seminar held by the New York Chapter of Chartered Life Underwriters at the Waldorf-Astoria Hotel in New York earlier this month.

James H. S. Bossard

Whatever the changes may be, however, the public will adapt itself to them, Dr. Bossard declared. "I am sure that most of us have come to learn that our worst fears are never realized, our biggest troubles are always in our anticipations, that most of life's hurdles grow smaller as we move up to them," he said. "And so I'm sure that, whatever the post-war world will be, it will be colorful, intriguing, challenging to all of us, and especially rewarding to the best of us."

Eleven specific changing factors in the social and economic structure of the country were outlined by Dr. Bossard. The 11 "sociological sinews out of which the post-war world may be built" were listed by him as follows: (1) The family, which is the great burden carrier of our society; (2) the status of women, changed in all wars and especially so in this; (3) child rearing, materially affected by the war; (4) planes of family living, destined to be lowered after the war; (5) the age structure of the population, accelerating the aging process as a nation; (6) public servants, growing rapidly in numbers under projected programs; (7) population redistribution, a new phenomenon for America, and yet one which looms ahead; (8) mobility of population, which, returning after the war, will complicate, but also stimulate the post-war world at every turn; (9) material progress, which promises a brilliant future to those with ambition and initiative; (10) emotional catharsis, a natural post-war problem when the post-war soldier and citizen need to blow off steam; (11) the middle class, which will undoubtedly be heard from in the post-war readjustments.

Commenting on these 11 factors, Dr. Bossard said that the material advances which will be made and commercially developed when peace comes are sure to be

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COURT REJECTS SEC CONTENTIONS IN DEALER MARK UP CASE

Large Profit Not Held Fraudulent; Quotes in Sheets Not Necessarily Indicative of Market Price

On Tuesday, April 20, in the United States District Court, Southern District of New York, in the case of Helene Hallgarten vs. Stewart J. Lee Co. of New York, Judge James Alger Fee rendered a sweeping decision in favor of the defendant. The court's findings are of paramount significance to all dealers in securities. Stewart J. Lee Co. were represented by Abraham M. Metz (165 Broadway, New York City) and Edward A. Kole (39 Broadway, New York City).

Abraham M. Metz

Edward A. Kole

The plaintiff contended that she paid $5,000 for royalties which she claimed had a value of $3,600 and sought to have the deal rescinded. The defendant contended that it sold the royalties at a reasonable price in accordance with its costs, and that it acted not as a broker or investment counsel but as a principal for its own account. The SEC did not enter this case **directly**, but submitted a brief as a friend of the court. Among other things the SEC's brief stated:

"The dealer's omission to disclose the spread between the market price and sale price, when that spread is unreasonable, renders misleading and fraudulent the representation, **implied from his holding himself out as a dealer in securities**, that he will deal fairly with his customers

(Continued on page 1588)

Electronics

Although some of the recent interest in electronics has subsided, we are still of the opinion that a major speculation will eventually occur in this group. By major, we mean one of such proportions and eventual consequences as the rise in the liquor stocks when repeal was becoming a certainty. Certainly the field has all the elements of romance and mystery upon which speculation thrives, as well as a wide enough range of securities to fit every pocketbook and every taste. From what we are told (and it is a field where faith in the spoken word and not statistics must be the guide), **Sylvania Electric** (on the Stock Exchange), a well-managed Massachusetts concern, is perhaps the most conservative buy; **Raytheon Manufacturing** (on the Curb); **Farnsworth** (over-the-counter), and **Allen B. du Mont Laboratories** (over-the-counter), the latter controlled by Paramount, are among the best speculative bets. **Zenith Radio, Hazeltine**, and **Fansteel Metallurgical** are also accorded high ratings on our "electronic check list." Two others that we have come across but have not seen discussed elsewhere are **Electrical & Musical Industries, Ltd.**, the British outgrowth of Columbia Gramophone, a company whose technical progress is said to have outdistanced any here and a virtual monopoly in Great Britain, selling on the New York Stock Exchange at 65% of its London price, and **Canadian Marconi**, long-time speculative canine which nevertheless has valuable Canadian patent rights. But perhaps the best, after all, is the ever-popular **Radio Corp.** When television was first coming in a former associate of ours became very bullish on this stock. We remonstrated that there were too many shares outstanding. "Too many!" he shouted; "there are 131,000,000 people in this country and only 13,800,000 shares of Radio. Why, there just aren't enough shares to go around." And as we note how that stock has again demonstrated its ability to lumber along, we wonder.
—Arthur Wiesenburger & Co.

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We have also found there is plenty of money around. Many of our clients who advised us they had no funds and would not be interested in even good market situations, now are not only interested but in some way have found sufficient funds to come into the market. There is a good demand for many local issues not listed on any Exchange, which indicates to us investors are now willing to consider more seriously over-the-counter securities.—*H. B. Cohle, H. B. Cohle & Co.*

Due to the inability of cities to secure materials for new construction and a subsequent lack of the need for funds for capital improvements, the dealers in our section are practically out of merchandise to sell. We expect the market on municipals to remain strong as long as this situation exists. The tax free feature also of course adds to the demand for municipals.—*M. H. Woody, Walter, Woody & Heimerdinger.*

Of course the supply of municipals is small, but so it has been for years. Instead of new issues to supply demand, we now have institutions selling who do not need tax exemption. Again I say, we look for continuing business in buying municipals from those who do not need them and selling to those who do need them.—*J. Austin White, J. A. White and Company.*

Dayton, Ohio

In spite of the heavy buying of War Bonds in this community there is quite a lot of money seeking investment. Bank Stocks and Fire Insurance Stocks have been in good demand, as well as the stocks of local industrial corporations both listed and unlisted. Land Trust Certificates on Ohio Property have been well bought.—*Ray M. Brock, Greene & Brock.*

Newark, N. J.

Going all out on the Victory Loan has of course slowed our normal activities. Nevertheless we find that many people are seeking to combat the inflation which seems unavoidable in spite of the Administration's announced good intentions. Our sales of investment trust shares have grown recently largely because of the full-time supervision provided by their experienced managements; we have continued to recommend these shares to investors who wish to put their money into equities.

The recent lightening of offerings of municipals, together with other factors, also holds a promise of increased business for us and other dealers who specialize in this field, as soon as work on the present Victory Loan has been successfully completed.—*Van Dyk MacBride, MacBride, Miller & Company.*

Rochester, N. Y.

We are finding sophisticated buyers very interested in and often willing to act upon suggestions for purchase of discount bonds. Current high coverage of many such issues is not too safe a guide. Far better perspective can be obtained by studying the record of coverage during periods of stress.—*Victor D. Strivings, Victor D. Strivings & Co.*

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R. Swinnerton To Run As Independent For NYSE Board Of Govs.

Radcliffe Swinnerton, of the firm of R. Swinnerton & Co., announced on April 22 his candidacy for re-election to the Board of Governors of the New York Stock Exchange, having filed the necessary qualifying petition. Mr. Swinnerton, who has been a Governor since May, 1942, thus becomes the second independent candidate for membership on the Exchange's Board — the nomination by petition of E. Burd Grubb was referred to in these columns April 22, page 1496.

Mr. Swinnerton is running for re-election for three years as an allied member or non-member residing and having his principal place of business within the metropolitan area of New York City.

The official slate of the Nominating Committee for the May 10 election was given in our issue of April 15, page 1381.

NY Title & Mtg. Ctfs. Series C-2 Interesting

Seligman, Lubetkin & Co., Incorporated, 41 Broad Street, New York City, have prepared an analysis of series C-2 first mortgage certificates, originally issued and guaranteed by New York Title and Mortgage Company.

Copies of this analysis may be had from Seligman, Lubetkin & Co. upon request.

Situation Of Interest

Dresser & Escher, 111 Broadway, New York City, have prepared an analysis of Magazine Repeating Razor Co., makers of the Schick razor. Copies of this interesting analysis may be had from the firm upon request.

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Three New Members For NY Dealers Ass'n

At a meeting of the Board of Governors of the New York Security Dealers Association, the following firm and corporations were elected to membership: Stryker & Brown, Robert C. Mayer & Co., Inc., Security Adjustment Corporation of Brooklyn, N. Y.

George Kranz Rumored Joining Cohu & Torrey

It is rumored that Mr. George Kranz of Amott, Baker & Co., Inc. will join the firm of Cohu & Torrey, 1 Wall Street, New York City, members of the New York Stock Exchange, on or about May 1.

H. W. Buckley To Be Buckley Bros. Partner

PHILADELPHIA, PA. — Henry W. Buckley, member of the New York Stock Exchange, will be admitted to partnership in Buckley Brothers, 1529 Walnut Street, as of today. Buckley Brothers will thereby acquire membership in the New York Stock Exchange in addition to their membership in the Philadelphia Exchange. Mr. Buckley was formerly in business as an individual broker in Philadelphia.

McLaughlin Baird To Admit Charles Heidel

Charles A. Heidel will be admitted to partnership in McLaughlin, Baird & Reuss, One Wall Street, New York City, members of the New York Stock Exchange, on May 6. Mr. Heidel will be a member of the New York Exchange, acquiring the membership of the late Frederick W. Pelzer.

Emerson Elec. Interesting

The current situation in The Emerson Electric Manufacturing Company offers interesting possibilities according to a circular just issued by Van Alstyne, Noel & Co., 52 Wall Street, New York City, members of the New York Stock Exchange. Copies of this circular may be had from the firm upon request.

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Aircraft Manufacturing Companies

We believe both speculators and investors have been entirely too pessimistic on aircraft manufacturing securities during the past year or more and we feel, more and more, that aircraft manufacturers might offer outstanding opportunities for long range appreciation among the major industrial groups. The record of aircraft manufacturers in the United States has been one of achievement—the greatest and fastest in American industrial history. Of course, the industry is war stimulated. But, there are good reasons for the conviction that in the five years prior to the war the industry was emerging from its pioneer stage of industrial development and was passing into the rapid growth stage—the stage of general public acceptance. This was evident not only in the impressive growth of passengers, mail and express carried on airlines, but also in the use of aircraft by private corporations and individuals. The frontiers of Alaska, Canada, South America, China, Africa and elsewhere were being pierced most economically by the airplane and even the small plane costing below $2,000 for domestic use was beginning to make an impression.

If an investor approaches long-term investment in the aircraft manufacturing industry and observes the trends over the past 10 and 25 years he might get the feeling that the bottom of the setback from huge war business is apt to be well above pre-war production; in other words, a resumption of the long-term uptrend. And, under these circumstances, it is reasonable to expect that the immediate post-war business in aircraft is not likely to be as poor as many persons have felt over the past year or two.

If, as some close observers of the automobile manufacturing industry feel, we are to experience a 5½ million-6 million automobile year in the first full year of automobile production after the end of hostilities, there seems to be some ground for anticipating possibly a post-war 100,000-plane year. And, if the tremendous increase in airports, in trained pilots and aircraft mechanics and engineers, and a very important increase in airmindedness of the American public generally mean anything, it would seem that from the first 100,000-plane year the American aircraft manufacturers could experience a long-term rise in aircraft production. For these reasons, we now suggest that the long-term investor or speculator, as the case may be, look critically into aircraft manufacturing stocks and direct attention to Lockheed which appears statistically as one of the cheapest. Other attractive aircraft manufacturing company stocks for the long-term are Consolidated Vultee $1.25 Convertible Preferred, callable at 27½, which closed last night at 25¼; Douglas Aircraft, paying $5.00, closed last night at 68½; United Aircraft $5 Convertible Preferred currently quoted 105-106 and callable at 107½; United Aircraft Common which closed last night around 35 and North American Aviation which closed last night at 12¾. Switches may be considered from United Airlines Transport to Lockheed; from American Airlines to Douglas; from Pan American Airways to United Aircraft or North American Aviation, in which latter company General Motors Corporation owns approximately 30% of the capital stock and is an important factor in the management.—*From J. R. Williston & Co.'s Research Department (Henry Gully)*

Johnston Says Merits Of Competitive Capitalism Demonstrated In War Production Miracle

Eric A. Johnston, President of the Chamber of Commerce of the United States, said in an address at the Chamber's 31st annual meeting in New York City that the success of industry's titanic effort to out-produce the Axis had removed all reason to apologize for competitive capitalism as the American economic way of life.

The following account of his talk was given in the New York "Herald Tribune" of April 28:

"In the critical months since Pearl Harbor," he said, "our American system of economy has met the supreme test and passed it with flying colors. Everyone speaks of the miracle of American war production. Not everyone remembers that it is a miracle made possible by individual initiative, using the mechanisms and the driving force generated by capitalism.

"And let me make one thing clear. When I speak of capitalism I have in mind not only the financiers and the owners and managers of business, but farmers and foremen and ordinary workers. Each of them has contributed his

(Continued on page 1588)

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Pressprich Study Shows Far-Reaching Effect Of High Court Rail Decisions

The implications of decisions handed down by the Supreme Court on March 15, 1943 in the cases of The Western Pacific Railroad and The Chicago, Milwaukee, St. Paul & Pacific Railroad should have far reaching effects on the investment policies of conservative investors and in turn on the railroad bond market, according to a study prepared by R. W. Pressprich & Co., 68 William St., New York City, members of the New York Stock Exchange.

"Marketwise the decisions have already exerted an influence, as evidenced by the firming of prices for senior liens of both marginal and defaulted credits," the firm points out. "Higher prices for senior liens should be attained as the implications of the decisions become more widely recognized. In fact, we believe that the floating supply of strongly secured underlying liens will be absorbed gradually by conservative institutional investors, while the supply of junior securities will remain large in spite of company purchases of such issues during the current period of high earnings. Further, the premiums which senior securities command over junior securities should increase when company purchase of junior securities is no longer a market factor."

The holder of defaulted bonds may assume that although reorganization may not be immediate, procedure has been expedited and obstructive litigation has been minimized, the Pressprich booklet states. "The institutional investor will have available to him a new medium in which to employ investment funds, for fixed interest-bearing securities of the reorganized companies will be among the soundest investments in the railroad field," the study continues.

Copies of this interesting study may be obtained from R. W. Pressprich & Co.

Possibilities in the bonds of the

Associated Electric Co.

A study which brings this situation up to date
furnished to dealers on request.

PELTASON, TENENBAUM, INC.
803 Landreth Building St. Louis

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

PORTLAND, MAINE — **Philip C. Keith** has joined the staff of **Maine Securities Co.,** 465 Congress Street.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—**Fred L. Bosworth** and **W. G. Harvey** are now with **H. R. Baker & Co.,** Russ Building.

(Special to The Financial Chronicle)

SPRINGFIELD, MO.—**Alvis Ray Davis** has become associated with **Uhlmann & Benjamin,** Board of Trade Building, Kansas City, Mo. Mr. Davis recently has been conducting a commodity brokerage business. Prior thereto he was with B. C. Christopher & Co. of Kansas City.

(Special to The Financial Chronicle)

BOSTON, MASS.—**John S. Andrews** has become associated with **Townsend, Dabney & Tyson,** 30 State Street. Mr. Andrews was formerly a partner in Andrews & Hibbard of Lawrence, Mass.

(Special to The Financial Chronicle)

CHARLOTTE, N. C.—**J. Kenneth Matheson** has been added to the staff of **Louis G. Rogers & Co.,** Johnston Building.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Fred John Follmer** has become associated with **Harriman Ripley & Co., Incorporated,** 135 South La Salle Street.

(Special to The Financial Chronicle)

DETROIT, MICH.—**Richard M. Bourke** is now affiliated with **H. V. Sattley & Co., Inc.,** Hammond Building. Mr. Bourke was previously with J. S. Bache & Co. and prior thereto was with Wright, Martin & Co. and Eastman, Dillon & Co.

(Special to The Financial Chronicle)

DETROIT, MICH.—**Richard E. Sloan** has become connected with **Hornblower & Weeks,** Penobscot Building. Mr. Sloan was previously with Merrill Lynch, Pierce, Fenner & Beane and prior thereto was in charge of the local office of A. M. Kidder & Co.

(Special to The Financial Chronicle)

JACKSONVILLE, FLA.—**Harry E. Opre** has joined the staff of **Southeastern Securities Corporation,** 308 West Adams Street.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Jas. E. Hill** and **Arthur Edward Nichols** have become associated with **Blyth & Co., Inc.,** 215 West Sixth Street. Mr. Hill was previously with Pacific Company of California; Mr. Nichols was with Amerax Corporation.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Melville Bruce McLean,** previously with Bingham, Walter and Hurry, Hilgers is now with **Fewel, Marache & Co.,** 453 South Spring St.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**David Mannick** is now connected with **Protected Investors of America,** 210 West Seventh St. Mr. Mannick was formerly with Conrad, Bruce & Co., Schwabacher & Co., Morrison Bond Co. and Fewel, Marache & Co.

Zippin & Co. Formed, New Chicago Dealer

(Special to The Financial Chronicle)

CHICAGO, ILL. — Zippin & Company has been formed with offices at 208 South La Salle St., to engage in a general securities business. Officers of the new firm are Israel Zippin, President, and Howard L. Davidson, Vice-President, both of whom, with Mrs. Clara Zippin, are directors of the new company. Mr. Zippin was formerly Vice-President of Carl Marks & Co., Inc., in charge of the Chicago office. Mr. Davidson was previously an officer and sales manager of G. W. Thompson & Co.

CGO Traction Unification Plan Appears Interesting

The plan providing for unification of the properties and operations of Chicago Surface Lines and Chicago Rapid Transit Company and for use of the new subway constructed by the city as a part of a city-wide transportation system, appears financially feasible and offers interesting possibilities according to a circular just issued by Straus Securities Company, 135 S. La Salle Street, Chicago, Ill. Copies of this circular may be had upon request from the firm.

Now Emerson Cook Co.

(Special to The Financial Chronicle)

PALM BEACH, FLA.—Emerson C. Cook is now doing business as Emerson Cook Company from offices in the First National Bank Building. Mr. Cook was formerly president of Carlberg & Cook, Inc., dealers in Florida Municipal Bonds.

Madary In Armed Forces

Harold Madary, formerly manager of the Boston, Mass., office of Huff, Geyer & Hecht, is now serving in the U. S. Army as a private and is stationed at Camp Breckenridge, Ky., Co. I, 390th A. P. O.

Marcus Munsill Joins Spencer Trask & Co.

Marcus M. Munsill has become associated with Spencer Trask & Co., 25 Broad Street, New York City, members of the New York Stock Exchange. Mr. Munsill is a member of the Board of Directors and the Finance Committee of The Borden Company. From 1930 to 1933 he was a member of the firm of Stout & Company. Recently he has been with the War Production Board and the Department of Agriculture.

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REAL ESTATE SECURITIES

We Told You So —
And We Are Telling You Again!

December 31, 1942, in this column, we pointed out that despite the price rise of hotel bonds, earnings were far better than during the World's Fair era and yet a number of bonds were still selling far below the World's Fair price levels.

It is interesting to compare the prices of the bonds we mentioned in that article with current price levels.

	12-31-42	4-27-43	Change
Gov. Clinton Hotel	23	33	+10
Lexington Hotel	52	63½	+11½
Park Central Hotel	24	34	+10
St. George Hotel	42	50	+ 8
Wald. Astoria Hotel	4½	20½	+16

As recently as March 4, 1943, in this column, we suggested that the Textile Building first mortgage bonds, at a price of 27, seemed attractive in view of the plan of reorganization providing for 3% fixed interest, with additional interest if earned. An announcement was made April 27 that a semi-annual interest payment at the annual rate of 4% instead of the minimum 3% rate will be made on May 1.

At this time we feel the first mortgage bonds of downtown office buildings in New York City are an attractive speculation.

Earnings, in most instances, are high as compared with the depreciated price at which the bonds are selling.

We believe the post-war future of these buildings should be good despite a possible loss of current Government leases. In order to rehabilitate the destruction now going on in Europe, it seems reasonable to expect a post-war shipping boom for the Port of New York. Shipment of huge supplies of food and building material should commence as soon as the war ends.

According to a survey compiled and copyrighted by Schlang Brothers, real estate brokers, in 1940, in the financial district there were:

"Four hundred fifty shipping agencies, suppliers, lighterage, towing and trucking firms occupying about 1,080,000 square square feet of space.

"More than 100 railroad and utility firms occuping 1,000,000 square feet of space.

"Approximately 100 American and foreign Governmental representatives, agencies and departments using 500,000 square feet of space.

"Over 1,300 firms of exporters, importers, freight forwarders, custom brokers, merchants, etc., occupying about 1,000,000 square feet of space.

"All in all, the group of industrial, utility, shipping firms, etc., occupied about 8,000,000 square feet of space, or almost 40% of the total rented area of the financial district."

In the event of a post-war shipping boom, a multiplication of these figures might easily be visualized.

We would recommend buying only first mortgage fee bonds, such as 50 Broadway, earning approximately 3%, selling below 20; Harriman Building, earning somewhere around 2%, selling in the low 20's (Trustee has approximately four points per bond in cash on hand, a portion of which will be distributed among the bondholders); 61 Broadway, earning about 3% and also selling in the low 20's.

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Will Do Business As Hoit, Rose & Troster

Howard S. Hoit and Thomas C. Brown have formed a partnership as of April 26, under the firm name of Hoit, Rose & Troster, 74 Trinity Place, New York, to continue the business in over-the-counter securities established in 1914.

Mr. Hoit, who was founder and senior partner of the firm, withdrew from the firm a year ago and the remaining partners, Oliver J. Troster, James Currie, Jr., Willis M. Summers, and Louis P. Singer, continued the business under the old firm name. Under an agreement with them at that time, Mr. Hoit retained the privilege to use the firm name "together with any and all goodwill and business value attached to same" as his "sole and exclusive property," and allowed them to use the firm name subject to his right to withdraw it upon due notice. Messrs. Currie, Summers, Singer and Troster (active as Lt. Colonel in Army) are now conducting their business under the name of Troster, Currie & Summers.

Thomas C. Brown, partner of Mr. Hoit, has been associated with him for 15 years.

Chicago North Western Decision and What the Cash Means
New and Old Securities

Circular on request

PFLUGFELDER, BAMPTON & RUST
Members New York Stock Exchange
61 Broadway New York
Telephone—DIgby 4-4933 *Bell Teletype*—NY 1-310

RAILROAD SECURITIES

Great Northern has recently given an indication of the extent to which it intends following along with its long term debt retirement program this year. The statement was made in connection with the road's request to the ICC for authority to finance the purchase of more new equipment. The goal mentioned by the management will probably be exceeded in the current year if earnings come up to general, non-management, expectations.

The road informed the Commission that it intended to purchase, or call for redemption, $16,000,000 or $17,000,000 of the Series "G" and Series "H" 4s, 1946 in addition to more than $5,000,000 payments on other long term debts. This total of more than $22,000,000 would compare with an aggregate of $26,270,728 debt retired in 1942, made up of $21,149,900 of the 1946 maturities and $5,120,828 of other long term debt. The 1943 operation, even if it goes no further than the management's tentative proposal will reduce the outstanding amount of the 1946 maturities to below $60,000,000. Any lingering doubts there may be as to the company's ability to surmount the 1946 maturity problem should thus be dissipated, particularly as there is every reason to expect continuation of the high earnings period into 1944 with consequent further reduction in the liability.

It is notable that this debt reduction in turn progressively improves the position of the company's stock which might well result in the automatic elimination of a large part of the 1946 maturity problem, through conversion. The Series "G" 4s are convertible into the preferred stock (the only equity issue of the company) at $40 a share. Of the $76,177,700 of 1946 maturities outstanding at the end of 1942, the Series "G" 4s accounted for $43,238,950.

This program of the Great Northern management not only relieves apprehension as to the meeting of the principal obligation a few years hence, but, more important, improves the whole credit outlook of the road materially. The debt retirement projected for this year will reduce the fixed charges to roundly $12,000,000. This will be approximately 40% below the requirements with which the road was saddled during the depression of the 30s. In only one year of the depression decade would Great Northern's earnings have failed to cover the reduced requirements and in that year, 1932, they would have been more than 50% earned. Even without considering any non-operating income, which in a number of years largely represented dividends in excess of earnings by the jointly controlled Burlington, the earnings from the properties themselves would have been short of the new fixed charges in only one other year, 1933. In that year net operating income was $11,810,000.

There appears to be little question but that Great Northern will emerge from the war period of abnormal earnings with fixed charges that would have been earned by the properties themselves in every year with the exception of 1932. It is unreasonable to anticipate a coincidence of circumstances in the future such as were encountered in 1932. Also, since 1932, the company has developed new traffic sources. The connection with Western Pacific in northern California is a valuable contributor, now that the Western Pacific property has been

(Continued on page 1586)

We recommend dealers' consideration, at this time, of all issues of

Chicago, Rock Island & Pacific R. R. Co.

Particularly the GENERAL 4s, 1988, both Coupon & Registered

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We wish to call your attention to the following rather interesting comparison:

Railroad	*Funded Debt*	*1st Quarter Net Operating Income*
Missouri Pacific	$434,000,000	$11,883,000
Rock Island	317,600,000	11,962,000
St. Paul	434,000,000	13,573,000
SEABOARD	177,000,000	11,221,000

(These figures, while not guaranteed by us, have been obtained from sources we believe to be reliable.)

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Wm. R. Rice Joins Staff Of Davies Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—William R. Rice has become affiliated with Davies & Co., Russ Building, members of the New York and San Francisco Stock Exchanges. Mr. Rice previously was a partner in Stewart, Rice & Ducato.

L. G. LaBarge With Dempsey-Tegeler Co.

(Special to The Financial Chronicle)

ST. LOUIS, MO.—Louis G. LaBarge has become associated with Dempsey-Tegeler & Co., 407 North Eighth St., members of the New York and St. Louis Stock Exchanges. Mr. LaBarge was formerly connected with the Mercantile-Commerce Bank & Trust Co. as assistant sales manager.

Defaulted RR. Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range from Jan. 1, 1939, to date; high—57⅝, low—14¾; April 28 price—57⅜.

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Cleveland
Bank Stocks
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No Enthusiasm Shown For Municipal Ownership of Cleveland Public Utilities

Proposals for the purchase of the Cleveland Electric Illuminating Co. properties by the City of Cleveland are meeting an icy reception. From Avon to Ashtabula, western and eastern limits of the company's territory, the proposal gets a stony stare. Even Cleveland's contiguous, highly populated suburbs rise up in wrath at the thought of paying tribute to Cleveland for light and power. There is no inclination to extend the battle over water rates in a new and perhaps more contentious arena.

And Cleveland itself, a hotbed of municipal ownership, has surprised itself by the hostile reception given the proposal.

The paradox of a battle to the death to acquire the Cleveland Railway Co. lines (now owned by the city) at a "confiscation" price of 55% discount on capital value and the glassy-eyed reception to purchase of the $183,000,000 Illuminating Company (remote control) is not easy to explain.

They are parallel cases in that the railway company franchises had expired and the Securities & Exchange Commission had written in a close deadline on the right of the North American Co. to own Illuminating. Forced sales and bargain prices go hand in hand.

Claimed deviations from the parallel are just one in number. The railway company was accused of mismanagement and the light company credited with superfluous efficiency.

In point of fact the railway could be credited with a high enough degree of efficiency but was too much of a stickler for full depreciation of property when it had to tear up an electric powered line and convert to gasoline-driven buses. Standing pat on a principle involving only a few hundred thousand dollars it lost millions when it finally threw up the sponge and took obsolescence on everything it had.

Homefolk get along well with North American local management, with Ohio Bell and—if let alone—with East Ohio Gas Co. (Standard Oil of N. J.). There is an occasional battle with the latter on rates due to eagled-eyed but honest efforts by city officials to protect its public. But even in this case remote control does not enter.

In the Illuminating company case questions of replacement of lost taxes is a dollars and cents concern with every municipality and political subdivision in its district.

In 1939, Illuminating launched a $35,000,000 construction program which has averted any problem of power supply in this area, one of America's largest arsenals. The company said recently "we have provided enough, on time."

"Despite rising costs generally, the average cost of electricity to customers continues to decrease. The company's average revenue per kilowatt hour sold to ultimate consumers in 1942 was 1.46 cents, the lowest in history," the statement declared.

In a full page advertisement in Cleveland newspapers a few weeks back, the Illuminating company published statements of various groups and newspapers opposing the transaction. They follow:

The Cuyahoga County Mayors' Association met and said it was the opinion of those present that the purchase of the Illuminating by the City of Cleveland, and its operation under municipal ownership, would be opposed to the best interests and public welfare of the 59 municipalities and other communities, other than Cleveland, in Cuyahoga County, for the following reasons among others:

Under municipal ownership of the electric system by the city of Cleveland these 59 municipalities and other communities would lose all rights which they now have under public regulation of electric service and electric rates and that these municipalities and other communities would suffer an aggregate loss of $700,000 a

(Continued on page 1575)

Cleveland Notes

Cayne, Ralston & Co., Union Commerce Building, announce the installation of a private wire to **Cruttenden & Co.**, Chicago.

Captain Charles S. ("Chuck") Andes, U. S. Marine Corps, is now stationed in Cleveland assigned to recruiting duty. He was formerly associated with **Wm. J. Mericka & Co.**

Ohio Municipal Comment

By J. AUSTIN WHITE

Despite all the time and attention being given to the Second War Loan drive by the investment banking fraternity, business in Ohio municipals this month has been better than most of us expected. It should be obvious to everybody by now that, even while people and institutions throughout the nation were subscribing billions of dollars to this Second War Loan, the price level of municipal bonds, including Ohios, has moved upward.

This demonstration of strength, and this demonstration of the vast amount of funds available for investment augurs well for the activity which the municipal fraternity can expect in May. The time and effort now devoted to the sale of Governments will be turned toward municipals with greater vigor. In Cincinnati the total number of solicitors alone, devoting their time to selling in this War Loan Drive, is over 7,000, with practically every man in the investment business included.

Supply of Bonds Is Small

Unfortunately, when these thousands of men turn their full attention once again to the business of distributing municipals, they will find the supply of bonds small indeed. The recent sales of $72,000 Warren (Ohio) bonds as 1s, and of $200,000 Summit Countys as 1s, with close bids for 1¼s, demonstrates clearly the dearth of Ohio municipals. It is interesting to note that both of these sales were made during the War Loan Drive. The only large new issue scheduled for sale in Ohio in the near future is $686,000 Toledo refunding bonds, set for May 11 (incidentally a name which deserves the attention of those dealers outside Ohio who confine their business in this State to Cleveland, Columbus and Cincinnati bonds).

This thing of a small supply, however, has now become an old story. For years business has been restricted, not by lack of funds for investment, but by lack of bonds to fill this demand. Fortunately, the chief source of supply of Ohios has of late been the selling by institutions who do not need tax-exempt income. This selling promises to continue, and well it may, for it has proven profitable to the seller, the dealer and the ultimate purchaser. The sale of some $5,000,000 of Ohios by one of the State funds the last week in March was an outstanding success. The sale was on Friday and probably 80% of the bonds had been placed by Monday.

Proposed Legislation Will Help Supply Bonds

Legislation was introduced in the Ohio Senate in January, in the form of Senate Bill No. 79, to permit political subdivisions of the State to sell municipals now held in their portfolios and reinvest the proceeds in Governments. Unfortunately, however, is seems the bill has not received the proper attention, for although it has been passed by the Senate, it appears to be lost in the House. While the legislation will probably not become effective in time to help the Second War Loan Drive, if it receives proper attention before the Legislature adjourns in May, it will be a great help to subsequent war loan drives. Municipal sinking funds in this State can already sell their municipals and buy Governments, although the legal procedure for doing so may be somewhat tor-

(Continued on page 1575)

Members Of Cleveland Traders Group Now In The Armed Forces

CLEVELAND, OHIO—James N. Russell, Gillis Russell & Co., President of the Cleveland Security Traders Association, announces that the following members of the association are serving in the armed forces:

Pvt. Robert E. Weaver (Hornblower & Weeks)
Lt. Joseph E. Bainer (Maynard H. Murch & Co.)
S 1st Cl. Richard D. Palmer, U. S. N. R. (Ledogar-Horner Co.)
Pvt. M. C. Hardony (Salomon Bros. & Hutzler)
Cpl. Martin J. Long (The First Cleveland Corp.)
Pvt. Francis J. Patrick (Paine, Webber, Jackson & Curtiss)
Capt. Frank W. Morrow (Morrow & Co.)
Sgt. Russell G. Wardley (Maynard H. Murch & Co.)
Cpl. R. K. Rowley (Blyth & Co. Inc.)
Lt. (jg) Dana F. Baxter (Hayden, Miller & Co.)
Pvt. Howard J. Eble (Wm. J. Mericka & Co. Inc.)
Lt. Art Randall (Butler, Wick & Co., Youngstown)

Members Of Cincinnati Stock & Bond Club Now In Armed Forces

Arch Montague, W. E. Hutton & Co., President of the Cincinnati Stock and Bond Club, announces that the following members of the club are now serving in the armed forces:

Major George Kountz (Einhorn & Co.)
Capt. Charles Westheimer (Westheimer & Co.)
Capt. Joseph R. Work (J. S. Todd & Co.)
Lt. Richard Crisler (Field, Richards & Co.)
Lt. Walter Dehner (Browning and Co.)
Lt. George Eustis (Geo. C. Eustis & Co.)
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Lt. Philip Gebhardt (Joseph & Co.)
Lt. George T. Grady (Geo. C. Eustis & Co.)
Lt. John Roth, Jr. (Weil, Roth & Irving Co.)
Corp. Harry A. Filder (Ellis & Co.)
Pvt. Paul W. Glenn (Edward Brockhaus & Co.)
Pvt. Paul C. Hood (Seasongood & Mayer)

Ohio Dealers Recommend

Cayne, Ralston & Co., Union Commerce Building, Cleveland, have compiled recent information on **U. S. Truck Lines, Inc., of Delaware Common; Wellman Eng. Co. Common; Mohawk Rubber Co. Common; Ohio Seamless Tube Co. Common.** Data on request.

Collin, Norton & Co., 408-512 Madison Avenue, Toledo, will furnish up-to-date information and accurate markets on all **Toledo** and **Northwestern Ohio** securities to any interested firm or individual.

Ledogar-Horner Co., Union Commerce Building, Cleveland, will furnish latest quotations on **Cleveland Bank Stocks.**

Otis & Co., Terminal Tower, Cleveland, have prepared recent analyses on **U. S. Truck Lines, Inc., of Delaware** and **Mansfield Tire & Rubber Co. Common** stocks. Copies of these analyses may be had from the firm upon request.

Prescott & Co., Guardian Building, Cleveland, will furnish late information on **National City Bank of Cleveland, Central National Bank, Cornell-Dubilier Electric Corp., Ohio Forge & Machine Co.** Data on request.

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Ohio Municipal Comment

(Continued from page 1574)

tuous. Nevertheless, there are many other subdivisions which cannot take such an advantageous step without the proposed legislation.

Bank Deposits Growing

The recent report of the Federal Deposit Insurance Corp. appears to indicate where most municipals will be sold during coming months, both in Ohio and elsewhere. This report shows that total deposits of insured commercial banks increased between June 30, 1942, and Dec. 31, 1942, by the amazingly large amount of $16,650,000,000. This large increase was, of course, due chiefly to the purchases by the banks of Government bonds. It is commonplace to state that such purchases of Governments, and such increases in deposits, will continue, at least for the duration of the war. For the time being, it appears that the sales of municipals to the retired school teacher or contractor, who used to buy $5,000 or $10,000 of municipals a year, are to be replaced by sales to banks and to individuals of large incomes. Such has been the trend in Ohio. As the taxable income of banks grows, as it must with huge purchases of taxable Governments, the attractiveness of municipals grows.

No Enthusiasm For Municipal Ownership

(Continued from page 1574)

year in revenues which they now receive from taxes paid by the Illuminating company.

Under municipal ownership there would be no assurance of the continuity of adequate, dependable electric service at low rates, which has been provided them by the Illuminating company for many years.

The association attitude on this issue is reinforced by the announced opposition of Mayor Frank J. Lausche of the City of Cleveland to the proposed transaction.

The International Brotherhood of Electrical Workers declared the opposition to the proposal signifies that in the event the City of Cleveland should purchase the company, such municipalities would make other provision for their electric service, thus breaking up the present system. . . .

It would introduce politics into a service that is basic and essential, and is best provided by an investor-owned company under public regulation. . . .

It would deprive the United States Government of millions of dollars of income taxes necessary to carry on the war. . . .

City Council of Ashtabula said if the City of Cleveland were to become owner and operator of C.E.I.'s electric system, the City of Ashtabula would have no control whatsoever of electric service and electric rates, and would have no recourse to public regulation in service and rates. . . .

Since 1928, when C.E.I. purchased the Ashtabula Municipal Light Plant, that company has been an important factor in the development of industry and employment in this community. . . .

It has attracted two new plants for the production of basic industrial materials which will employ 1,500 persons. . . .

Cleveland News:—This is the most ambitious undertaking yet dreamed up by the utility-phobes at City Hall. Not only would it involve a minimum of $140.000.000: it would also plunge Cleveland into a vast business experiment at a most uncertain time. . . .

Besides there has been no evidence of a public demand from anywhere that the Illuminating company be taken over by the City of Cleveland except on the part of a few councilmen and Financier Cyrus Eaton. . . .

Cleveland Plain Dealer:—Cyrus S. Eaton and his associates, in their endeavor to persuade the City of Cleveland that it should acquire the Cleveland Electric Illuminating Co. point to the profits which they say would accrue to the city from the operation of this utility and assert, moreover, that under the terms of the Public Utility Act of 1935 the North American Co. must divest tiself of its Cleveland subsidiary. . . .

This newspaper is favorably impressed by neither of these arguments. . . .

Cleveland Press:—The city has a new utilities director.

According to the terms of a resolution just introduced in Council by four advocates of municipal ownership, he will be asked to report on the advisability of the city's attempting to purchase the Cleveland Electric Illuminating Co. . . .

Director Emil Crown's predecessor, the late William D. Young, reported on the same subject and advised against it. This newspaper also advises against it. . . .

The Securities Salesman's Corner

Every Request For Information Is Important—If Properly Handled Will Lead To New Accounts

Every opportunity to help a client or a prospect—no matter how unpromising it may appear at the outset—may after all be the key that eventually unlocks the door to his goodwill and his confidence. Sometimes a salesman is asked to check up on securities that he is almost certain will turn out to be worthless. It is not advisable to overlook such a request. This is especially important in the case of prospects with whom you have not as yet done any business.

This true story illustrates the manner in which such a request can lead to the opening of a profitable account—and in this particular instance—two of them.

A salesman was making a third call-back upon a qualified prospect when this investor asked him to check up on four different securities that he admitted he thought to be practically worthless. Only one of these holdings was paying a small dividend. The other three issues were small isolated second mortgages of real estate issues that had seen their better days in 1929. Despite these discouraging facts the salesman cheerfully consented to make an investigation and see if there was any salvage value still remaining in the securities in question.

One of the supposedly worthless holdings was an Investment Trust Certificate. The salesman could find out very little regarding it in the established statistical manuals but he noticed that a new Trustee had been appointed. This small Trust, it turned out, had been mismanaged, however, the new Trustee was attempting to rebuild the assets of the Trust as much as he possibly could under trying circumstances. The salesman called in person on the new Trustee. He indirectly impressed the Trustee very favorably because he was trying to find out the facts for the benefit of his client and he was going about it in a thorough manner. The result was that the Trustee bought from the salesman BEFORE HE SOLD THE CLIENT WHO ASKED HIM FOR INFORMATION. The trust indenture of the Investment Trust made it mandatory upon the new Trustee to reinvest a small reserve fund that was among the assets of the Trust—the salesman handled this to the entire satisfaction of the Trustee. Result—new account, number one!

Then he went back to his original prospect and he gave him the detailed facts regarding his investment trust holding. He also explained that one of the other securities was practically worthless, the other two he believed to be completely valueless. NEXT HE OFFERED TO HELP ESTABLISH TAX LOSSES WHICH WOULD RESULT IN INCOME TAX SAVINGS FOR THE PROSPECT. It is surprising how many investors there are who have not taken advantage of the tax deductions that such a situation now makes available to them. The prospect was naturally beginning to see something in this salesman that appealed to him. HE SAW A SECURITIES SALESMAN THAT WAS TAKING AN INTEREST IN HIS WELFARE—NOT JUST TRYING TO SELL HIM ANOTHER SECURITY. The next step was an analysis of the prospect's entire list of holdings. Result—new account, number two—and it was a good one!

Four little, worthless, securities—a salesman with the right sales psychology—two new accounts opened up—who says this isn't an interesting business?

Chicago No. Western Decision and What The Cash Means

An interesting circular discussing the Chicago North Western Decision and what the cash means, with particular reference to the new and old securities of this carrier, has been prepared for distribution by Pflugfelder, Bampton & Rust, 61 Broadway, New York City, members of the New York Stock Exchange. Copies of this circular may be had from the firm upon request.

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on April 26 that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated April 28 and to mature July 28, 1943, which were offered on April 23, 1943, were opened at the Federal Reserve Banks on April 26.

The details of this issue are as follows:

Total applied for	$1,585,836,000
Total accepted	901,753,000

Range of accepted bids:

High—99.935, equivalent rate of discount approximately 0.257% per annum.

Low—99.905, equivalent rate of discount approximately 0.376% per annum.

Average price—99.906, equivalent rate of discount approximately 0.372% per annum.

(24% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on April 28 in amount of $702,344,000.

N. Y. Analysts To Meet

At their regular Friday meeting on April 30, the New York Society of Security Analysts, Inc. will hear George S. Jones of Wertheim & Co. on the "Position of the Caribbean Sugar Industry."

On Monday, May 3, there will be a round table discussion of rate base problems of the utilities industry, which will be lead by Ralph Sterling.

P. H. Littlefield, Treasurer of Canada Dry Ginger Ale, Inc., will speak on May 5, on the soft drink industry.

All meetings will be held at 56 Broad Street, New York City at 12:30 p.m.

ABS
AMERICAN
Business Shares, Inc.

Prospectus on request

LORD, ABBETT & CO.
INCORPORATED
63 Wall Street, New York
CHICAGO JERSEY CITY LOS ANGELES

Investment Trusts

If you are inclined to accept the current theory that the advance in railroad securities is about over, you owe it to yourself to beg, borrow or steal a copy of Distributors Group's newly-revised 11-page basic analysis of the railroad situation. This study was originally published in June, 1941, and is one of the really outstanding analytical projections of investment values to come out of Wall Street in recent years. Be sure also to get a copy of the chart, "Portrait of an Opportunity," covering interest-paying discount rail bonds, prepared by Distributors Group for use in conjunction with the current edition of the study.

* * *

Those who have thought of investment company shares as the choice of only the small investor should take note of a recent report by A. W. Smith & Co., sponsor of New England Fund. Approximately 97,000 shares of New England Fund—38% of all shares outstanding—are held by trustees, endowed institutions and well-to-do individuals. Here is the breakdown of such holdings:

30 Trustees
16 Endowed Institutions — colleges, chuches, etc.
29 Individuals — owning 1,000 shares or more each

* * *

Among the items set forth in Calvin Bullock's revised folder, "A Brief Description of Dividend Shares," is the following: Dividend Shares (incorporated in 1932) has paid $20,539,729 to its stockholders in quarterly dividends. In the 10 years 1933-1942 such dividends have provided an annual average return of 5.49% (including 1.98% from net security profits) on the offering price at the beginning of each fiscal year from 1933 through 1942.

* * *

The current issue of Hugh W. Long & Co.'s **New York Letter** reminds investors of the fact that the rail equipment stocks normally exhibit a time lag in reflecting the upswing of the business cycle. Thus, the Rail Equipment Series of New York Stocks, Inc., has advanced some 54% from the April, 1942, lows, compared with a gain of 46% for the Dow-Jones Industrials. But the comparative gains for the first quarter of 1943 are 46.5% for the rail equipment series as against 14.4% for the averages, indicating the gathering momentum in this group. Yet even with recent gains this series is still 33.4% below its price level of early 1939.

The **Letter** touches on another subject of particular interest to investors and those who serve them. It is the outlook for our free society in the post-war world as viewed by the Committee for Economic Development. This column is in full accord with the suggestion that we should all support the efforts that distinguished group is making to insure the survival of our free enterprise system.

* * *

Keystone Corp. has a new folder, "High Return Bonds," discussing the characteristics of Keystone Custodian Fund "B4" with its approximate current return of 7%.

(Continued on page 1587)

INCORPORATED INVESTORS

Prospectus may be obtained from authorized dealers, or
The PARKER CORPORATION
ONE COURT ST., BOSTON

General Bond Shares

A Class of Group Securities, Inc.

Prospectus on Request
DISTRIBUTORS GROUP, INCORPORATED
63 WALL STREET—NEW YORK

DIVIDEND SHARES

Prospectus and additional data obtainable from your own investment dealer, or from
CALVIN BULLOCK
Established 1894
One Wall Street, New York

Keystone Custodian Funds

Certificates of Participation in Trust Funds
investing their capital as follows:

SERIES
B-1, 2, 3 and 4 IN BONDS
SERIES
K-1, 2 IN PREFERRED STOCKS
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S-1, 2, 3, 4 IN COMMON STOCKS

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Bell Teletype—NY 1-1248-49
(L. A. Gibbs, Manager Trading Department)

Bank and Insurance Stocks

This Week — Insurance Stocks

By E. A. VAN DEUSEN

Based on the reports of a group of 30 representative companies, stock fire insurance companies, on the whole, made no drastic changes in the composition of their investment portfolios last year as the following tabulation of percentages indicates:

AVERAGE PER CENT CLASSIFICATION OF INVESTED ASSETS OF 30 FIRE INSURANCE COMPANIES, 12-31-42

	Bonds						Common			
	Mortgages	U. S. Govt.	Mun.	Misc.	Total	Pref. Stock	Bank	Ins.	Misc.	Total
1941	3.5%	23.9%	5.2%	11.6%	40.7%	14.0%	4.1%	18.2%	19.5%	41.8%
1942	3.3	27.5	4.6	10.8	42.9	12.5	4.2	17.8	19.3	41.3

The most noticeable change, as might be expected, is an increase in Governments from an average of 23.9% to 27.5%, accompanied by a decrease in municipals from 5.2% to 4.6%, miscellaneous bonds from 11.6% to 10.8% and preferred stocks from 14.0% to 12.5%.

Treatment of the companies as a group, however, hides the fact that some individuals did change their percentage in U. S. Governments quite drastically. For instance, St. Paul Fire & Marine increased its percentage from 2.5% to 7.0% or 180%, and Great American more than doubled its percentage, from 2.6% to 5.8% or 123.1%. These companies, it will be noted, had an unusually small proportion of their assets invested in Governments, thus a relatively small dollar increase produced a large percentage increase. At the other extreme, we find that Aetna's percentage actually declined from 27.2% to 26.3%, while American Equitable shows no percentage change.

It is interesting to note the wide difference among the companies as to their investment policy with regard to Government bonds. For instance, Pacific Fire had, as of 12/31/42, 50.8% of its invested assets in Governments, while Great American had only 5.8%, and Fire Association had 26.4%, or close to average.

The following tabulation shows the percent of Governments held by each of the companies on 12/31/42 compared with 12/31/41, arranged in the order of the per cent by which these proportions have been increased.

U. S. GOVERNMENT BOND HOLDINGS
% of Invested Assets

	1941	1942	Proportional Increase
St. Paul Fire & Marine	2.5%	7.0%	180.0%
Great American	2.6	5.8	123.1
Home	8.6	14.2	65.1
Franklin Fire	15.8	25.4	60.8
Security	13.6	18.3	34.6
New Brunswick	26.4	34.5	30.7
Springfield Fire & Marine	23.5	30.0	27.7
Northern	27.8	34.3	23.4
American Alliance	8.7	10.6	21.8
Hartford	23.8	29.0	21.8
Continental	9.5	11.4	20.0
Pacific	43.0	50.8	18.1
Glens Falls	26.9	31.0	15.2
Fire Association	23.0	26.4	14.8
New Hampshire	32.6	37.2	14.1
Hanover	28.6	32.6	14.0
Providence-Washington	22.5	25.4	12.9
National Union	40.2	45.3	12.7
Fidelity-Phenix	5.9	6.6	11.9
Boston	21.5	23.6	9.3
Agricultural	18.0	19.6	8.9
Insurance Co. of N. America	9.2	10.0	8.7
United States Fire	39.3	42.5	8.1
National Fire	37.3	40.1	7.5
Bankers & Shippers	42.3	45.4	7.3
North River	40.3	43.2	7.2
Fireman's Fund	22.9	24.4	6.6
Phoenix	19.9	21.2	6.5
American Equitable	53.2	53.2	---
Aetna	27.2	26.3	—3.3
Average	23.9%	27.5%	26.3%

It seems probable that a large share of this increase occurred last December during the First Victory Fund drive, at which time the "big five" life insurance companies reported subscriptions amounting to $865,000,000, while subscriptions by other insurance companies, including fire and casualty, increased the total taken by all insurance companies to well over $1,000,000,000. These were principally the 2½% bonds.

The Second War Loan drive gives every evidence of exceeding the $13,000,000,000 goal by a substantial amount. The insurance companies can again be counted upon to do their share, in which connection it is pertinent to point out that Home Insurance Company, which on April 13, celebrated its 90th anniversary, announced that all new gross premiums received from its 25,000 agents from April 13 to December 31, 1943 will be invested in War Loan Bonds.

It is interesting to note that since 1918 there has been a steady downward trend in the percentage of bonds held in the investment portfolios of fire insurance companies, considered as a group, and a corresponding upward trend in equity holdings. Considering a 10 year trend for the 30 companies under review, we note that the percent of invested assets represented by U. S. Government bonds has steadily increased, while that represented by other bonds has steadily declined, as follows:

PER CENT OF INVESTED ASSETS IN BONDS—AVERAGE OF 30 COMPANIES

	U. S. Govt. Bonds	Other Bonds	All Bonds
1933	9.3%	36.6%	45.9%
1936	13.5	21.7	35.2
1937	19.2	21.9	41.1
1938	18.5	19.6	38.1
1939	20.3	17.8	38.1
1940	21.3	17.3	38.6
1941	23.9	16.8	40.7
1942	27.5	15.4	42.9

It is significant that the national debt (interest bearing) has also been expanding over this period, as follows:

June 30		
1933	$22,157,643,000	
1936	32,755,632,000	
1937	35,802,587,000	
1938	36,578,685,000	
1939	39,891,844,000	
1940	42,380,009,000	
1941	48,404,879,000	
1942	70,000,000,000	(approx.)
(Current) 1943	115,000,000,000	(approx.)

The inference is that so long as the national debt continues to expand, the fire and casualty insurance companies can be expected to place a larger and larger percentage of their investment funds in United States Government securities, and to decrease their percentage in other classifications of bonds, as well as of preferred stocks. It is doubtful, however, whether their percent holdings in equities will be much affected, bearing in mind the differing and characteristic investment practices of the individual companies.

A study recently compiled by Alfred M. Best Co., Inc. covering a group of 260 companies operating in the fire and casualty field, shows the following changes in classification of admitted assets:

	Stock Fire		Stock Casualty	
	1931	1941	1931	1941
Cash	5.1%	12.6%	5.1%	15.4%
Real Estate & Mortgage	4.9	4.0	8.6	3.8
Govt. bonds	7.3	22.9	8.4	34.6
Total bonds	37.2	36.0	51.4	50.3
Total stocks	45.7	41.2	21.4	20.1
Agents balances	5.8	5.2	11.2	9.1
Miscellaneous	1.3	0.9	2.3	1.2

As a group the companies have maintained liquidity coupled with a high degree of diversification.

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SEC Amends Report Forms

The Securities and Exchange Commission on April 23 announced the adoption of minor amendments to its annual report Forms 12-K and 12A-K. Companies which report to the Interstate Commission on Form A are permitted, in connection with reports to the Securities and Exchange Commission on Forms 12-K and 12A-K, to file certain selected schedules in lieu of a complete Form A. The purpose of the amendments is to revise the selected schedules to as to conform to certain changes made in Form A of the Interstate Commerce Commission for the year ended Dec. 31, 1942.

The SEC further explained:

"The Commission will furnish copies of Form A to any registrant which notifies the Commission of the exact number of copies required and the names of the companies for which they will be needed. Printed copies of the various other forms of the Interstate Commerce Commission and the Federal Communications Commission are available and will be furnished by the Securities and Exchange Commission to any registrant which desires to use them and which notifies the Commission of the exact number of copies which it will require and the names of the companies for which the copies will be needed.

"In connection with the adoption of the amendments to Forms 12-K and 12A-K, the Commission also announced that companies required to file reports on these forms for the year ended Dec. 31, 1942 need not file such reports prior to May 31, 1943."

DIVIDEND NOTICES

The American Tobacco Company
INCORPORATED
111 Fifth Avenue New York City

151st COMMON DIVIDEND

A regular dividend of Seventy-five Cents (75¢) per share has been declared upon the Common Stock and Common Stock B of THE AMERICAN TOBACCO COMPANY, payable in cash on June 1, 1943, to stockholders of record at the close of business May 10, 1943. Checks will be mailed.

EDMUND A. HARVEY, *Treasurer*

April 28, 1943

THE ATLANTIC REFINING CO.

COMMON DIVIDEND NUMBER 151

At a meeting of the Board of Directors held April 26, 1943, a dividend of fifteen cents per share was declared on the Common Stock of the Company, payable June 15, 1943, to stockholders of record at the close of business May 21, 1943. Checks will be mailed.

W. M. O'CONNOR
Secretary

April 26, 1943

Borden's
COMMON DIVIDEND
No. 133

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable June 1, 1943, to stockholders of record at the close of business May 15, 1943. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

COLUMBIAN CARBON COMPANY

Eighty-Sixth Consecutive Quarterly Dividend

The Directors of Columbian Carbon Company have declared a regular quarterly dividend of $1.00 per share, payable June 10, 1943, to stockholders of record May 21, 1943, at 3 P. M.

GEORGE L. BUBB
Treasurer

UNITED GAS CORPORATION
$7 Preferred Stock Dividend

At a meeting of the Board of Directors of United Gas Corporation held April 28, 1943, a dividend of $2.75 per share was declared on the $7 Preferred Stock of the Corporation for payment June 1, 1943, to stockholders of record at the close of business May 8, 1943.

E. H. DIXON, Treasurer.

MEETING NOTICE

NORFOLK AND WESTERN RAILWAY COMPANY
Roanoke, Virginia, April 5, 1943.
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Norfolk and Western Railway Company will be held, pursuant to the By-laws, at the principal office of the Company in Roanoke, Virginia, on Thursday, May 13, 1943, at 10 o'clock A. M., to elect four Directors for the term of three years.

Stockholders of record at the close of business April 23, 1943, will be entitled to vote at such meeting.

L. W. COX, *Secretary.*

Currier With Soucy & Co.

(Special to The Financial Chronicle)

BOSTON, MASS.—Benjamin W. Currier has become associated with Soucy & Co., 80 Federal Street. Mr. Currier was previously with John G. Cronin and Walter S. Place & Co. In the past he was proprietor of Wincott & Co.

Lieut. L. Carroll in Colo.

Lt. Lawrence Carroll is now located at Buckley Field, Colorado. He was formerly with Prescott, Wright, Snider Co. of Kansas City, Mo.

Royal Bank of Scotland
Incorporated by Royal Charter 1727
HEAD OFFICE—Edinburgh
Branches throughout Scotland
LONDON OFFICES:
3 Bishopsgate, E. C. 2
8 West Smithfield, E. C. 1
49 Charing Cross, S. W. 1
Burlington Gardens, W. 1
64 New Bond Street, W. 1
TOTAL ASSETS
£98,263,226
Associated Banks:
Williams Deacon's Bank, Ltd.
Glyn Mills & Co.

Australia and New Zealand

BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)

Paid-Up Capital	£8,780,000
Reserve Fund	6,150,000
Reserve Liability of Prop.	8,780,000
	£23,710,000
Aggregate Assets 30th Sept., 1941	£150,939,354

SIR ALFRED DAVIDSON, K.B.E., General Manager
Head Office: George Street, SYDNEY

The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea, and London, it offers the most complete and efficient banking service to investors, traders and travellers interested in these countries.

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47 Berkeley Square, W. 1
Agency arrangements with Banks throughout the U. S. A.

NATIONAL BANK of EGYPT
Head Office Cairo
Commercial Register No. 1 Cairo

FULLY PAID CAPITAL	£3,000,000
RESERVE FUND	£3,000,000

LONDON AGENCY
6 and 7 King William Street, E. C.
Branches in all the principal Towns in
EGYPT and the SUDAN

NATIONAL BANK of INDIA, LIMITED
Bankers to the Government in Kenya Colony and Uganda
Head Office: 26, Bishopsgate, London, E. C.
Branches in India, Burma, Ceylon, Kenya Colony and Aden and Zanzibar

Subscribed Capital	£4,000,000
Paid-Up Capital	£2,000,000
Reserve Fund	£2,200,000

The Bank conducts every description of banking and exchange business
Trusteeships and Executorships also undertaken

American Statistical Ass'n Spring Meeting

The American Statistical Association will hold its Spring Dinner Meeting at the Hotel Sheraton at 6:15 p.m. today (April 29). Speakers will be Dr. Carl Snyder, Dr. W. F. Edwards, Guy Greer and James H. Hughes. For reservations, a check for $2.75 should be sent to Miss Helen Slade, 400 East 57th Street.

Wellman Eng. Attractive

Common stock of the Wellman Engineering Company offers attractive possibilities according to a circular just issued by Cayne, Ralston & Co., Union Commerce Building, Cleveland, Ohio, members of the Cleveland Stock Exchange. Copies of this circular may be had from the firm upon request.

A REPORT TO YOU

and more than 2,500,000 customers of Consolidated Edison System

HIGHLIGHTS OF OUR ANNUAL REPORT TO STOCKHOLDERS

DURING THE YEAR the Consolidated Edison System Companies furnished essential electric, gas and steam service to a population of more than 7,000,000.

★

MORE ELECTRICITY FOR LESS MONEY. Wartime demands have brought new uses of electric service to offset in kilowatt-hours, but not entirely in dollars, curtailments in other directions. The result for the year 1942 was the sale of more electricity by the System Companies than ever before, and for less money.

FEWER MEN AT WORK. Today 3,064 of the employees of Consolidated Edison have gone to war. And our service flag has nine gold stars. By the end of 1942, one out of every six active employees on the payroll at the end of the preceding year had left—most of them to enter the country's armed services or war industries.

★

THE DIM-OUT. New York turned off its lights in 1942 for dim-outs, practice blackouts, wartime restrictions. The estimated loss in sales for the year from these causes was 178 million kilowatt-hours, or a revenue loss to us of $6,900,000.

EXPENSES UP—Coal and oil prices were higher in 1942 than in 1941, as were prices of other essential materials. For example, coal we burned for making electricity averaged $5.45 against $5.21 a ton. Oil for water gas averaged 3.84 cents a gallon against 2.92 cents. Our total fuel bill was $35,200,000 in 1942; $32,000,000 in 1941.

HOW OUR MONEY WAS SPENT IN 1942

Wages and salaries paid	**$75,225,000**
(Including pensions to retired employees)	
Materials, supplies, and services necessary to run the business, bought from others	**$66,400,000**
(This includes coal for making electricity, gas and steam; also oil and supplies such as wire and cable)	
Taxes—money set aside from the year's operations for the support of local, state, and federal government	**$64,327,000**
(Taxes to federal government were $23,698,000; N. Y. State, $8,565,000; and local, $32,064,000)	
Security holders (whose money has built the property) received in interest on their bonds, and dividends on their preferred and common shares	**$47,000,000 ***
(Paid to holders of common stock $18,353,643; preferred stock $10,921,325; bondholders $17,718,643)	

The above were the four principal channels into which funds flowed as a result of the year's operation of the business.

* Since the plant investment of these companies is more than $1,250,000,000, the $47,000,000 paid to security holders represents an annual return of less than 4 per cent.

OUR TAXES must come out of the dollars you pay us. Last year 24½ cents of every dollar received by Consolidated Edison for gas, electricity, and steam went out for taxes.

Our 1942 taxes were $64,327,000. Of this amount $29,957,000 went to New York City alone—enough to run the Police Department 5 months, or the Fire Department nearly 9 months, or the City Parks more than three years.

★

OIL FOR WAR. During 1942 a Consolidated Edison System Company, the New York Steam Corporation, closed 279 new contracts for steam service, most of these representing conversion from oil. This will result in an annual saving of more than 50,000,000 gallons of fuel oil.

★

WHO OWNS US? You, your friends and neighbors. Consolidated Edison stock is held by 136,119 men and women, churches, colleges, banks, insurance companies, charities, and public institutions. The average preferred stockholder has 70 shares, the average common stockholder owns 110.

NEW WAR CUSTOMER. One aluminum plant just constructed in our territory, when taking its full electric requirements, will be the largest single customer of any utility company in the country.

★

BY-PRODUCTS FOR WAR. At two of our gas plants we recover oil for immense production of toluol—the base for TNT—and benzol for aviation gasoline and synthetic rubber.

INCOME STATEMENT

	1942	1941
Operating revenues	$260,911,559	$261,267,545
Operating revenue deductions	194,180,107	194,094,025
Operating income (before federal income tax) .	66,731,452	67,173,520
Other income or *loss*	24,553	*149,419*
Gross income (before federal income tax) . . .	66,756,005	67,024,101
Income deductions	18,426,481	18,078,190
Net income (before federal income tax) . . .	48,329,524	48,945,911
Provision for federal income tax	16,840,000	15,025,000
Net income	$31,489,524	$33,920,911

Support the Second War Loan Drive—"They Give Their Lives—You Lend Your Money"

CONSOLIDATED EDISON

SYSTEM COMPANIES

NEW YORK & QUEENS ELECTRIC LIGHT & POWER COMPANY · BROOKLYN EDISON COMPANY, INC. · WESTCHESTER LIGHTING COMPANY
THE YONKERS ELECTRIC LIGHT & POWER COMPANY · NEW YORK STEAM CORPORATION

SERVICE

A Sociologist Envisions Marked Changes In The Post-War World

(Continued from first page)

very revolutionary, spreading into international fields.

"There are a number of straws which indicate which way the transportation winds will blow," he said. "An international highway from the tip of South America to Alaska will be a post-war reality. Only a few gaps remain now, since the construction by the military of the Alaska highway. It would not be difficult to extend this into the vast stretches of Asia. The stretches of Asia may be the frontiers of tomorrow. Aerial experts are already speaking of making the North Pole the aerial cross-roads of the world. It seems clear that post-war persons and families will move about even more than we learned to after the first World War."

Many of these changes will result in population redistribution in American cities, he continued, for internal shifts now mean that cities, towns, areas and States to which these shifts move will grow, but those from which they came will lose in population. "This phenomenon of areas with losing population is, for the most part, a new American experience," was his comment. "Its repercussions are extensive; declining markets, deflation of values of all sorts, disturbance of real estate values, declining incomes from property. These will exist alongside of booming areas, rising values, overcrowded schools, housing shortages and various lags in dealing with the new, suddenly created problems of growing areas."

The aging structure of the population and the increase of elders, he said, is leading to many results which will come to focus in the post-war period; changes in consumer demands, in the labor situation, in different demands for medical and hospital practice, in social outlook, in cultural pursuits, in modes of recreation and in insurance practices. "One of the most important results, however, has usually been overlooked," Dr. Bossard said, "and that is the restrictive effect upon young peoples' opportunities for advancement in all occupational groups where there is a career to carve out. Perhaps the chief fact in this connection is that aging of the population blocks individual opportunities to rise occupationally and socially, and one of the inevitable results of this is that interest in security is substituted for interest in the rate of advancement." Dr. Bossard's speech, in full, follows:

I.

In times past, the members of the Insurance Guild have shown a flattering interest in my future, and in predicting what might happen to me if I did not listen to them. Today, at long last, I have the opportunity to reverse the customary procedure and give them a dose of their own medicine.

The future is always intriguing. Many people in many lands and during long years have sought to divine it. Astrologers read the stars, palmists follow the lines of the hand, and scientists forecast by projecting prevailing trends.

My topic, and what I have just said, suggest that I am about to do some sociological fortunetelling. Before going into my trance, I should like to clarify the nature of my performance by saying that I propose to discuss, not so much the shape of things to come, as the preoccupations of the builders and the materials with which they will be working. Also, in covering the post-war world in 35 minutes, I shall have to speak with a certain abruptness which will say sometimes more and sometimes less than I really mean.

II.

THE ELEVEN POINTS

Warned by the example of another university professor who spoke of 14 points for the last post-war world, I shall speak only of 11. In other words, there are 11 factors which seem to me of primary importance for the post-war world.

1. **The Family.** There are these two facts about the family which surpass others in importance, yet never are mentioned in the literature: (1) the family is the bottleneck through which must flow the everyday life of its members, (2) the family is the great burden carrier of our society, which means that it is the cushioned retreat, if there is any, for its members. What this implies is that the effects of war and peace upon the family are direct, immediate, and fundamental.

The pattern of family changes during the war and post-war years seems to be a definite one, and to consist of three points or sequences. First, as war breaks out, the marriage rate rises, and to an appreciable extent. This is so for several reasons: first because marriages already planned are moved forward; second, because cautious young men choose the lesser danger of matrimony; third, because homesick boys and girls succumb to the glamor of the uniform; and fourth, because some youngsters discover that adolescent impulsiveness has become socially acceptable. In due course of time, the second part of the sequence appears. The marriage rate drops sharply. (In some countries, during the first World War, it dropped to one-fourth of the normal). Then after the war, comes the third part of the pattern — the inevitable increase of marriage difficulties. The term war-marriage now ceases to be a glamor phrase and becomes an excuse and a justification, in many cases, for the discord and dissensions which appear. In the post-war world, we may anticipate, then, a marked increase in family discords and tensions. The divorce, separation, and annulment rates will rise, while in still other cases a domestic guerilla warfare will continue during the ensuing years.

2. **The Status of Women.** War has always meant much for the status of women. It is obvious that when the man is away, the woman must play — at being a man.

Let us contemplate, in the objective retrospect of the centuries, some effects of the Punic Wars in the Third Century. May all men within range of my voice be warned by the following chain of consequences. First, for the thirty or more years of actual warfare, a large proportion of able-bodied Romans saw service in the fields. Husbands were away from home years at a time. As a consequence, the management of estates and households devolved upon their wives, many women receiving a training in self-reliance and efficiency in responsible positions. This in turn led such women to submit with ill grace to the restrictions in their daily lives and interests that their husbands imposed upon them on their return from the wars. Before long, the Manus, i.e., the power of the Roman husband over his wife, came to be indicted by these women as tyranny. After the second Punic War, the controversy was compromised, and the practice of marriage without Manus grew up. It was this sad circumstance which led the elder Cato to remark: "We Romans rule over all men, and our wives rule over us."

Read what a recent witness say; of the effect of the Civil War upon the Southern wife. "In 1860 the South became a matriarchy. The men went away from home to other battlefields, leaving the women free to manage farm and plantation without their bungling hindrance; when they returned, those who had escaped heroic death found their surrogates in complete and competent charge and liking it. Four years had fixed the habit of command which, when I first began to know them, thirty had not broken."

Some of us will recall that the first World War placed the stamp of respectability upon employment out of the home of middle and upper class women. Similarly, unattached girls could live away from their families, without social reproach.

The present war is accelerating recent developments. The employment of women is increasing in a magnificent ratio. They have entered the military services. They are invading new fields of employment. These are commonplace facts today, to be noted only for their increased extent.

The results of all this are obvious. Sex, and class, distinctions are fading in the competitive contacts of the job. Equality between the sexes is forging ahead. It cannot be otherwise. When women work, earn, and spend like men do, they want the same rights as men have. This is certainly what happened during and after the first World War, and the present war differs only in that it is accelerating this emancipating process.

But the right to behave like a man means also the right to misbehave as he does. The result is a change in the mores of sex relationship, both within and outside of marriage. Equality in employment and in behavior means equality before the law in matters of divorce, separation, and property controls. They necessitate the democratic marriage. They encourage companionate marriage. There is an increased tension within the marriage bond. Increasingly the hunt does not cease after the hare, and the rabbit, have been caught.

Perhaps the patent summary of all this is to say that as a result of the war, women will gain the substance as well as the symbols of equality.

Working counter to all this will be any disturbance of the sex ratio which the war may bring about. If a great many young men will be killed, there will be so many less husbands to reach around. This happened in several European countries after the first World War. The results, says one writer, were sufficient to interfere seriously with the monogamous pattern of family life. There were large numbers of women who could not expect to marry. Men were at a premium, and not unnaturally, many of them knew it. Women didn't like this, and they thought it wasn't good for the men. The proportion of ill-fitting marriages increased—women who in normal times would have rated an A husband had to make the best of Grade C.

3. **Child Rearing.** The absence of fathers and the employment of mothers means increased dependence upon out-of-the-home agencies, and this has its meaning for child rearing. Just as the first World War lead to the discovery of the pre-school period of childhood, so the present war is likely to result in the passing of pre-school rearing from the home. Up to yesterday, day nurseries have been considered only in relation to the richest and the poorest families; tomorrow they may be as necessary and normal as the public schools. In apartment houses in certain European cities before the war, the day-long care of small children was an accessible part of the renting service; tomorrow this may become much more general.

All that has been said so far means that the war is accelerating the movement toward a more democratic, individual family. This means, of course, a lessening of the family as a form of group insurance, of the ideal of economic security through family solidarity, and an increased demand for security through insurance safeguards, both public and private. Particularly, will the aged members of families be thus involved.

4. **Planes of Family Living.** The rise in family planes of living, so marked since 1900, is destined to be reversed after the war. War is destructive of wealth. It redirects production to non-productive ends. It alters the price level, with particular detriment to families living on fixed incomes. Recent wars seem to be unduly costly. As war becomes more mechanical and technical, the trend becomes unmistakable toward greater relative cost. It cost about 75 cents to kill a man in Ceasar's time. The price rose to about $3,000 in the Napoleonic wars; to $5,000 in the American Civil War; and then to $21,000 in the World War. Estimates for the present war indicate that it is now not less than $50,000. The present war is so expensive because it is a war of mechanized units, a clash of machines. The result is the relatively extensive destruction of property rather than life. This means that after such a war, more people will survive, but with fewer reserves of wealth. This cannot but spell reduced planes of living for all peoples involved. Should the present war approach a stalemate, destruction and counter-destruction from the air may result increasingly. This will make the war a competitive destruction of homes and productive establishments. Poverty, plague and human suffering can thus be the only gainers.

A number of secondary results from any widespread lowering of living planes may be anticipated. For one thing, we shall be more interested in economy in consumption. To illustrate my meaning, let me suggest that one fundamental difference between the American and the European in times past has been this: If the European earned $1,800 a year, and it cost him $2,000 to live, he considered ways and means of reducing his expenditures, to shall we say, $1,700. Confronted with a similar situation, the American planned to increase his income to $2,400. After the war, with the passing of the easy-money days, we may see a much more widespread interest in economy in expenditures. Second, there will be a greater emphasis in such families upon security than upon the future lucky strike. Third, we may become much more interested in other than dollar indices of living. That is to say, our ideas of satisfactory living will lose some of their cash implications. This will come about gradually with the hardening of our economic arteries and the bloated tax structure.

5. **The Age Structure of the Population.** Much has been said in recent years concerning the changing age structure of the population. The general trend is unmistakable, and a few facts will suffice to summarize its extent. In 1900, roughly speaking, one out of every three persons was over 30; today the proportion is about one half; in 1900, one out of every six persons was over 45, today the proportion is more than one out of every four; in 1900, one out of every sixteen was over 60, today it is one out of every eight persons.

The war will accelerate this aging process to the extent that it kills off the younger men and as it stimulates the development of insight into and control over various health problems. The increase of elders is leading to many results which will come to focus in the post-war period; changes in consumer demands, in the labor situation, in different demands for medical and hospital practice, in social outlook, in cultural pursuits, in modes of recreation, and in insurance practices.

One of the most important results, however, has usually been overlooked, and that is the restrictive effect upon young peoples' opportunities for advancement in all occupational groups where there is a career to carve out. While the decrease in the proportion of the young will make it easier to get such jobs, the greater longevity of the aged will make it more difficult to get ahead. There will be a larger percentage of older persons everywhere who can hold jobs by right of seniority. Perhaps the chief fact in this connection is that aging of the population blocks individual opportunities to rise occupationally and socially, and one of the inevitable results of this is that interest in security is substituted for interest in the rate of advancement.

6. **Public Servants.** All of the programs which are being advocated for the future call for a relatively large roster of public servants, both civil and military. It seems inevitable that any guarantees of peace after this war is over, call for sizeable garrisons in various points all over the world. Any international body, such as a League or Council of Nations, will add enormously to the number of public servants. The extension of social security administration, as well as other governmental activities and services, will have a similar effect.

All this means a corresponding increase in the number of salaried officials, to whom public service will be a career. Here are the makings of an administrative-minded, bureaucratic element in the population, interested in savings against old age, annuities and protection against the common hazards of middle age. In other words, reduced planes of living, the further increase of elders, and the prospective extension of the social services, all fall into a common pattern whose meaning must be clear to anyone who reads even as he runs.

7. **Population Redistribution.** The problem of internal shifts of population is the heir of the immigration problem of a generation ago. The economic florescense of the 1920s and the depression of the 1930s, and the demands of war industries, each have precipitated population shifts within the United States, some of very marked magnitude. The Federal Government's dam building program has also added its effects. Undoubtedly, the post-war period will stimulate its own peculiar trends.

What gives these internal trends their fundamental but somewhat unappreciated significance is that they have to be considered against the background of a slowly growing or almost stationary population. With such a population, internal shifts mean that the cities, towns, areas, and States to which these shifts move will grow, but those from which they came will lose in population. This phenomenon of areas with losing population, is for the most part, a new American experience. Its repercussions are extensive; declining markets, deflation of values of all sorts, disturbance of real estate values, with particular meaning for home owners, declining incomes from property, etc. These will exist alongside of booming areas, rising values, overcrowded schools, housing shortages, disturbances in community organizations, and various lags in dealing with the new, suddenly created problems of growing areas.

8. **Mobility of Population.** Complicating, but also stimulating,

the post-war world at every turn will be a greatly increased mobility of the population. Population movements are the product, at least in part, of prevailing modes of transportation. The trolley car helped to create the city. The automobile and the local train created the suburb. The automobile led to the building up of the areas stretching between the radial suburban lines. What will be the social consequences of the transportation facilities developed by the second World War?

There are a number of straws which indicate which way the transportation winds will blow. An international highway from the tip of South America to Alaska will be a post-war reality. Only a few gaps remain now, since the construction by the military of the Alaskan highway. It would not be difficult to extend this into the vast stretches of Asia. The stretches of Asia may be the frontiers of tomorrow.

The post-war world will find us with many planes, fliers, ground crews and plane manufacturing facilities. The helicopter would adapt planes for commuting purposes. What may we expect here? Aerial experts are already speaking of making the North Pole the aerial crossroads of the world. Flying "above the weather," as is already being done, brings such a program near to reality. Even now, no large city is more than 60 hours distant from New York. In rail transportation concrete road beds and Diesel-engined rubber-tired wheels will result in trains traveling at 250 miles an hour. It seems clear that post-war persons and families will move about even more than we learned to after the first World War.

9. **Material Progress.** What has just been said suggests the material advances which will be made and commercially developed when peace comes. With the technical and business aspects of this development we are not here concerned, except to say that they are sure to be very revolutionary. For example, harnessing the power of the sun seems to be just around the corner. This may develop first in Africa. The Libyan desert would be an ideal place for a string of sun power plants. Experiments in man-made weather in certain areas is not far distant.

What I want to suggest is that invention has been defined as that which makes securities insecure. New industries will create new values but destroy old ones, too. New products will find new markets, but create much obsolescence, too. The new houses you plan to build will reduce the value of the house I've bought and slowly paid for, will make me dissatisfied to live in it, and will penalize my children for living in such old-fashioned quarters. Material progress is a two-edged sword, it leaves a gap behind as it cuts forward.

Speaking off the record, this post-war boom will give the BYM an opportunity for marked activity. By the BYM I mean the Bright Young Men, those partially educated products of our educational institutions who for more than two decades have been adding two and two to make six. During the 1920's they were in the investment field; during the 1930's they were in the public service and finance fields. Possibly after this war they will be in the international fields, with the result that the nation's loss will be the world's loss. Or, possibly they may get loose among the individual citizenry, and in view of what I have said about the widespread impossibility of increasing incomes, we may get an era of the most ridiculous wildcat investment promotions.

10. **Emotional Catharsis.** How will the post-war soldier, and citizen, blow off steam? If the war is long, as it threatens to be; if losses are extensive, as we have been warned they will be; if large proportions of our people will be emotionally very tired, what will be the form and extent of the relieving symptoms? There are emotional as well as other catharses, but this is a field of which we know very little.

Of course, if one belongs to the pollyanna school, which assumes that men can lead an army life and stand the strain of military service all over the world, and then overnight settle down to a life full of calm sweetness and light, then these questions have no pertinence.

11. **The Middle Class.** The almost total absence of a middle class has been in a number of countries a most serious obstacle to the maintenance of a popular form of government and a democratic society. Stating this in positive form, the middle class is the stabilizer of, and source of specific leadership in, a democratic society. It is my belief that the form of our post-war society in the United States will depend in a large measure upon the attitudes, interests, prejudices, and leadership dominant in our middle class. Today, this class is being sorely pressed. High taxes, increased cost of living, the assumption of heavy burdens, are impinging upon it. Because unorganized as a pressure group, its interests tend to be neglected by politicians and their parasites.

Let us not forget that the middle class can lose patience, can organize itself, and become highly vocal. Nazi Germany is the most outstanding example of this. Data published as late as 1940 indicate that the middle class of Germany was the most heavily represented class in the Nazi party, and accounted for about three-fifths of the entire party personnel.

It is not to be inferred from this that the American middle class will turn Nazi in the post-war world. The deeper significance of this is that, under sufficient pressure and incentive, it can and will organize and assume the reins, and in ways which one may not be able to foretell.

Here are some of the sociological sinews out of which the post-war world may be built. What the form and functioning of that structure will be: who can tell? Much of our immediate trouble is that we are so subtly and unconsciously bound to the precedent of the first World War. We keep on assuming in our thinking, even when we deny in our words, a war of a year or two, followed by a great relief in a joyous, victorious Armistice celebration. This is not likely to be true, although I hope it will be. We may reach the end of the war far more exhausted as a people than we can now bring ourselves to visualize—burdened with debt, disillusioned, and with a diminished prestige. In saying this, I do not mean for a moment to infer that we shall lose the war. I am only facing the possibility that the road to victory may be long and hard and costly. Certainly not tomorrow, and perhaps not for many tomorrows will the American people revert to the life of that cockeyed decade when, having borrowed five or ten more billion dollars, they stepped into their sleek motor cars, opened the throttle and joined in the chorus of "Happy Days Are Here Again."

There is, however, always the comforting assurance of our personal experience. I am sure that most of us have come to learn that our worst fears are never realized, our biggest troubles are always in our anticipations, that most of life's hurdles grow smaller as we move up to them. And so I'm sure that, whatever the post-war world will be, it will be colorful, intriguing, challenging to all of us, and especially rewarding to the best of us.

Renewal Of Trade Agreements Act Urged Upon Congress By Economic Association

Otherwise We Face Short-Sighted Programs of Trade Discrimination Throughout World

The conviction that abandonment of the policy of reciprocal tariff reductions, as negotiated under the act in the last nine years, would hinder the development of any reasonable post-war reconstruction was voiced by 1,200 members of the American Economic Association in a warning addressed to Representative Doughton of the House Ways and Means Committee, made public on April 18. The Association's action was prompted by concern over the possible failure of Congress to renew the Trade Agreements Act in June, according to the New York "Times" of April 19, which further reported the views of the economists as follows:

They saw the American trade agreement program as "the minimum basis of United States post-war policy." Otherwise, they pointed out, "the nations of the world will have no choice but to drop plans for economic cooperation and plunge ahead into short-sighted programs of trade discrimination, exclusive imperial and bloc-trading groups, and beggar-my-neighbor policies of all kinds."

"If the United States wants a better economic world and a more durable peace after the present war, this is not the way to begin," they said. "On the contrary, the economic preparation for World War III would have begun.

"The repudiation of the trade agreements program at this juncture would be a national tragedy. After the war, there will be a crying demand for America's mass production goods and farm products from every country in the world. If we maintain a liberal policy regarding imports, this demand can create thousands of post-war jobs in this country, utilizing industrial and agricultural capacity which otherwise would be idle. But to export we must be willing to import. Hence, the renewal of the trade agreements program is essential.

"An industrial country with inadequate domestic supplies of metals or textile fibers can acquire them only by acquiring foreign exchange through the sale of its own goods and services in the markets of the world. Every country therefore, if it wishes to promote the expansion of world trade, which is a fundamental condition for the establishment of a durable peace, must show greater willingness to accept the goods of other countries. In other words, the lowering of tariffs under the leadership of the great trading nations is an essential means of realizing the program of economic and political cooperation endorsed by the United Nations.

"The American people, through their Government, are setting the course of international trade policy. If Congress, at this critical time, by failing to renew the Trade Agreements Act, repudiates the liberal trade policy which Secretary Hull has so persistently pursued for the past nine years, our Allies in the United Nations and all neutral countries will place only one interpretation on that act. Rightly or wrongly, the nations of the world will take the vote of Congress as evidence that the United States, in the midst of the war, has chosen for post-war years, the course of isolation.

"In urging the renewal of the act of 1934, we do not mean to imply that tariff bargaining is, by itself, an adequate program of United States economic policy for the post-war period. Many of us believe that much more is required, and that additional techniques of quite a different character need to be tried. Some of us would like to see American policy turn toward laissez-faire; some toward a greater measure of planning.

"But all of us stand on this common ground: We are convinced (1) that a world-wide reversion toward nationalistic protectionism after the war will hinder the development of all types of reasonable reconstruction programs; (2) that the pattern of cooperative action which the American trade agreement program provides is the minimum basis of United States post-war policy, and (3) that the repudiation of this program by Congress would inevitably start an avalanche of trade restrictions in foreign countries.

"We are proud of the fact that in 1934, in the midst of a world-wide trend toward national isolationism, the United States adopted a trade agreement program looking toward mutual reduction of international economic barriers. We believe that it would be a major tragedy if the United States should repudiate this program at a time when all the United Nations are looking to us for leadership. We, therefore, urge most strongly that the Trade Agreements Act be renewed."

The account in the "Times" states that among the original group which drafted the statement were Percy W. Bidwell, Raymond L. Buell, Robert D. Calkins, John M. Clark, Joseph S. Davis, Irving Fisher, Edgar S. Furniss, Harry D. Gideonse, Carter Goodrich, Henry F. Grady, Alvin H. Hansen, Alvin Johnson, Wesley C. Mitchell, E. G. Nourse, Ernest M. Patterson, Ordway Tead, Jacob Viner, John H. Williams, Frank D. Graham, W. I. King, Theodore W. Schultz, Henry C. Simons, O. M. W. Sprague, Willard Thorp, C. R. Whittlesey, Theodore O. Yntoma and Ralph A. Young.

Postwar Evolution To New High Living Standards Seen By Industry, According To NAM Report

Companies Study Means To Provide Full Employment and Develop Better Production and Distribution

Evolutionary rather than revolutionary changes in postwar products and services are expected by industrial management to lead to the highest living standards America has ever known, according to a cross-sectional report of post-war plans of industrial companies published on April 16 by the National Association of Manufacturers. In the report,—"Peace time plans of Industrial Companies,"—it is noted that "almost every manufacturer is dreaming new products and new improvements, and at odd moments, if not systematically, he is planning how and what to produce tomorrow. That is evident whenever a manufacturer talks or writes about post-war production." The report showed that management considers war production the No. 1 job of the moment, and that postwar planning must fit into the activities of busy executives without interfering with the primary objective of meeting war production.

Hundreds of companies have launched peacetime planning programs, embracing the study of means of providing full employment, developing new products, new methods, and better distribution, according to the NAM report which is based on responses to a questionnaire, letters and interviews. The report states:

"Manufacturers recognize their responsibility for re-employment of former workers, and fulfilling that responsibility is one of the major objectives in every company postwar plan, as well as it is of an industry-wide, country-wide or world-wide plan." From the advices made available by the Association regarding the report we also quote:

"Many manufacturers fear that the public has been oversold on the prospects of revolutionary changes in postwar life as a result of plastics, light metals and other new or relatively new materials and new designs.

"An automobile manufacturer recently said that the first post-war car is bound to be the 1942 car. It cannot be anything else. Similar statements have been made by refrigerator manufacturers and others. Time will be required to perfect new models, and the men, machinery and materials for experimentation, testing and perfecting will not be available until after the war.

"For the most part new materials come into use as products now on hand are replaced. This is an evolutionary rather than a revolutionary process. Iron and enameled pots and pans, for instance, remained in vogue for a generation after aluminum and stainless steel utensils were available to all who wished to buy. Nylon for full-fashioned hosiery probably came in faster than any other new material ever did, yet when nylon production was turned to war, more than two thirds of all full-fashioned hosiery was still made of materials other than nylon.

"Plastics, which have been growing by leaps and bounds for a generation already surround us, and new uses of them are likely to be accepted as commonplace. Synthetic rubber will replace natural rubber and we will scarcely notice the difference.

"The juggling of atoms to make plastics and other synthetic materials will be of far reaching importance in postwar America, but the changes will come gradually, rather than overnight. The tempo of change will be stepped up, but the change toward plastics or other synthetic and light metals has been going on for many decades." What is more important than new materials, are the changes in methods and processes within industry, according to the report, which points out that "so far as the public is concerned, the results of them will be noticeable in quality, quantity and variety of products and reduced prices."

The foreword of the report points out that peacetime planning must to a large extent await Congressional action on national policies which will determine such postwar factors as taxes, disposition of government-owned production facilities, termination of government contracts, rate of demobilization of the armed forces, and tariff, securities and labor legislation.

The following is one of the views which NAM found management holding on postwar subjects:

It is generally assumed that there will be a marked voluntary decline in the employment of women after the war—that many women will prefer to return to their homes and men will in most families carry the burden of earning the income.

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Jan. 1, 1939—Total Assets $1,026,069.31
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Jan. 1, 1941—Total Assets $1,809,241.85
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Jan. 1, 1943 — Total Assets $3,507,391.71
April 1, 1943—Total Assets $4,116,114.21

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Total Reserves
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ASSETS OVER $30,000,000.00

RAILROADMEN'S
FEDERAL SAVINGS AND LOAN ASSOCIATION OF INDIANAPOLIS

21 Virginia Avenue Indianapolis, Indiana

Indiana Savings & Loan Ass'ns Have Followed Progressive Policy In 70 Years of Existence

IVAN E. COOPRIDER

Secretary-Treasurer, Savings & Loan League of Indiana

The 247 active savings and loan associations in the State of Indiana have for the past five years originated in excess of $30,000,000 of mortgage loans annually, exceeding any other financial institution within the State in making possible home ownership for Indiana families.

These savings and loan associations are located in 77 of the 92 counties of the State and are to be found in 144 of our Hoosier cities, towns and villages. They serve their communities by encouraging periodic savings and by making home ownership possible for families who wish to purchase their homes on monthly payment plans.

Ivan E. Cooprider

The savings and loan business in Indiana was started more than 70 years ago. Until 1934 all associations operating within the State were under the supervision of the building and loan division of the State Department of Banking. Since that time there has been the dual system of savings and loan associations; namely, those chartered by our State Government and those chartered by the Federal Government. Those associations operating under Federal charters are examined and supervised by the examiners of the Federal Home Loan Bank Administration, Washington, D. C., while those under State Supervision are examined and supervised by the building and loan division of the Department of Financial Institutions of Indiana, long recognized as one of the most progressive departments of its kind in the nation.

Indiana associations have been progressive in their acceptance of new ideas and improvements. Institutions having 96% of the total assets of the savings and loan business of the State are members of the Federal Home Loan Bank of Indianapolis. Bank membership augments the liquidity of the associations' assets available to investors and savers, which consist primarily of $40,000,000 cash and Government bonds plus a flow of new investment funds and loan repayments in excess of $5,000,000 a month. Many associations have acquired membership in the Federal Savings and Loan Insurance Corporation, insuring each account up to $5,000, thus augmenting the association's fundamental safety inherent in monthly payment first mortgage loans on small owner-occupied homes and United States Government Bonds. Further safety is provided in reserve accounts of the associations, which exceed $17,000,000.

The State of Indiana was one of the first to modernize its statutes governing the operation of savings and loan associations, and the leadership of the State has been recognized in many ways by the savings and loan industry nationally. Savings and loan associations in Indiana are mutual and have built up strong reserve positions to protect the savers and investors.

Almost 300,000 Indiana families are either investors in or borrowers from savings and loan associations. These associations are financing approximately half of all of the owner-occupied homes that are being bought by Indiana families on monthly payment plans. The strength of these institutions is the strength of 100,000 home-buying families scattered over the State of Indiana which, because of its diversified agricultural and industrial makeup is one of the most stable sections of the entire country.

These institutions combine safety of principal, adequate availability of funds, and reasonable return to the investor. The fundamental safety of the underlying securities is evidenced by the diversity of the investments; the average outstanding loan to these Indiana home owners is approximately $1,500 and the balances due on these home loans are decreasing each month as monthly payments are made. Experience has proved that monthly payments on well-located small homes which are owner-occupied are prime investments.

Dividends paid by Indiana associations have been conservative, as the associations' prime purpose has been to provide maximum safety rather than high return. The bulk of the associations of the State are paying dividends at the rate of 3% per annum. This return probably will be somewhat smaller during the war period due to increased holdings of low-yield Government bonds.

Savings and loan associations in Indiana have been alert in meeting the problems of wartime conditions and in taking an active part in aiding the war effort. The State of Indiana is one of the important war production centers and the savings and loan industry has been active in financing war housing in the war production centers.

One hundred and fifty-seven Indiana associations have become qualified agents for the sale of War Bonds and have sold over $16,000,000 of War Bonds.

Associations in Indiana are increasing their already enviable strength by maintaining portfolios of Government bonds which are diversified as to maturity. During this war period associations are building up additional liquidity through the purchase of Government bonds and making larger additions to reserves so that when peace-time opportunities and responsibilities arrive they will be in a position to immediately go forward with their activity in the home financing picture.

More New Money In Savs. & Loan Assns.

The United States Savings and Loan League, Chicago, reported that the public deposited more money into savings, building and loan associations in January than in any month for two years and at the same time bought the second largest dollar volume of war bonds from these institutions they have ever bought in any one month. This, says the Association, is the story of the anti-inflation fight of the first month of 1943 waged by these local savings and home financing institutions. The Association further stated:

"The intake from savers and investors was $177,138,000 and the sale of government bonds was $36,518,000. Increase in new savings over January, 1942, was 4.3%. Increase in dollar volume of war bonds sold was 25% as compared with January a year ago, and the total was just 2.3% under December, the record month of association bond sales.

"January made the eighth successive month in which the inflow of money into the associations surpassed that of the same month in the preceding year. It also sustained a trend, continuous since last May, of a smaller dollar volume of money withdrawn than in the comparable month of the year before."

Morton Bodfish, Chicago, Executive Vice-President of the League, said that home mortgage loans took the bulk of the net receipts in savings and loan institutions in January and were likely to continue to do so throughout the year, but that increasing substantial portions of the new money would go directly into government securities for the associations' own portfolios.

CALUMET DISTRICT OF INDIANA—ADJACENT TO CHICAGO

HOME FINANCING
Conservative Investments

ASSETS
As of Dec. 31, 1942
$2,581,904.75

Increase in Assets
During 1942
$358,674.01

HOME OFFICE
First Federal Savings
And Loan Association
OF EAST CHICAGO
EAST CHICAGO, IND.
Calumet Building
Corner Chicago Avenue and
Indianapolis Blvd.
EAST CHICAGO

BRANCH OFFICE
2115 Broadway Near Main Street
INDIANA HARBOR

CALUMET DISTRICT OF INDIANA—ADJACENT TO CHICAGO

A SAFE PLACE TO INVEST

Inquiries are invited from Trustees and Institutions, seeking sound, long term investments at better than average yield.

CURRENT ASSETS IN EXCESS OF $2,950,000

FIRST FEDERAL SAVINGS
And Loan Association of GARY
525 Broadway Gary, Indiana

CITIZENS FEDERAL
SAVINGS & LOAN ASS'N

5272 Hohman
Hammond
INDIANA

C. E. BAGLEY
PRESIDENT

158 South Main
Crown Point
INDIANA

3%
PAID ON INVESTMENTS
Earns from 1st if in by 10th of each month.

INVITES YOUR INVESTMENT—
AND OFFERS YOU IN RETURN—
SAFETY, GOOD YIELD, and AVAILABILITY
(Assets—2¼ Million Dollars)
"Just Mail Check—We Do The Rest"

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION
SAFETY OF YOUR INVESTMENT
INSURED
UP TO $5000

U. S. Savings & Loan League Announces Members Of Standing Committees For 1943

Duties Range From Studying Aid In War Effort To Economic, Competitive Factors Affecting The Business

The United States Savings and Loan League has just announced the personnel of its 1943 standing committees, a group of 1,082 savings and loan executives appointed to study, confer and draw up counsel and recommendations for the nation's $6,500,000,000 savings, building and loan system. There are 32 committees, as announced by Ralph H. Cake, Portland, Oregon, League President, with duties ranging from telling the associations how they can best help the war program to making studies of economic and competitive factors affecting the business.

Ralph H. Cake

Usually the committees make reports at the time of the annual meeting and convention of the League and hold at least one meeting a year between conventions. What the war economy will do to that schedule this year remains to be seen but the projects for committee study are still inherent in the business and will continue to receive as much attention from the busy savings and loan executives as they can possibly spare, Mr. Cake points out.

A Chairman and two Vice-chairmen have been chosen for each Committee, and considerable new blood has come into the leadership of these groups in 1943 appointments, although the majority of the Chairmen and Vice-chairmen have served at least one previous year at these posts.

New men in the top Committee jobs as announced this week are:

Fermor S. Cannon, Indianapolis, President of the Railroadmen's Federal Savings and Loan Association, Chairman of the Advisory Committee of Past Presidents; August B. Schulte, Philadelphia, Chairman of the Appraisal Committee; I. Friedlander, Houston, Texas, President of the Gibraltar Savings and Building Association, Chairman of the Federal Legislative Committee; G. VanderEnde, Secretary of the Berkeley Guarantee Savings and Loan Association, Berkeley, California, Chairman of the Insured Section Committee; M. K. M. Murphy, Executive Vice-President of the Boiling Springs Savings and Loan Association, Rutherford, New Jersey, Chairman of the Committee on Merger Policy and Procedure; James Clawson, Secretary of the Mutual Home and Savings Association, Muncie, Indiana, Chairman of the State Section Committee; John F. Scott, St. Paul, Minnesota, President of the Minnesota Federal Savings and Loan Association, Chairman of the Committee on War Policies and Activities, and Nathan L. Whitten, Director of the Division of Cooperative Banks, Massachusetts,, Chairman of the Supervisors' Committee.

New Vice-Chairmen for 1943 committees were announced as follows:

Claude B. Gandy, Executive Vice-President and Secretary of the Richmond County Federal Savings and Loan Association, Tottenville, New York, Advertising and Business Development Division; Charles R. Yoke, President of the Fletcher Avenue Savings and Loan Association, Indianapolis, Chamber of Commerce Committee; Joseph G. Standart, President of the Surety Savings and Loan Association, Detroit, Committee on Housing; Jerome P. Norpell, Secretary of the Licking County Building and Savings Company of Newark, Ohio, Committee on Investments and Investment Policies; Thomas S. Craig, Secretary and Manager of the Chemung Valley Savings and Loan Association, Elmira, New York, Committee on Real Estate Management; O. W. Boswell, President of the First Federal Savings and Loan Association of Paris, Texas, and George W. West, President of the First Federal Savings and Loan Association of Atlanta, both Vice-Chairmen of the Committee on Reserve Credits and Banking Relations; James V. Davidson, President of the First Federal Savings and Loan Association of Toledo, Committee on Trends; Charles S. Merion, Superintendent of Building and Loan Associations; State of Ohio, Committee on Supervision, Examination and Audit, and Clyde P. Diggles, Madison, Wisconsin, Supervisor of the Building and Loan Division, State of Wisconsin, the Supervisors' Committee.

Fifty-four of the veterans of the League's Committee Chairmanships and Vice-Chairmanships from 1942 and other years received re-appointments this spring from Mr. Cake. They are:

Accounting Committee—Chairman, L. H. Allen, Vice-President and Assistant Secretary of the Houston First Federal Savings and Loan Association, Houston, Texas, and Vice-Chairman, Robert G. Clarkson, Vice-President of the Federal Home Loan Bank of New York.

Advertising and Business Development Division — Chairman, Walter J. L. Ray, Vice-President and Secretary of the Standard Savings and Loan Association, Detroit; Vice-Chairman, A. J. Bromfield, President of the Industrial Federal Savings and Loan Association, Denver, Colorado.

Advisory Committee on State Legislation—Chairman, James H. Kennedy, President of the Middleborough, Massachusetts, Cooperatitve Bank; Vice-Chairman, A. F. Hall, Managing Officer of the Albert Lea (Minnesota) Building and Loan, and A. C. Purinton, President of the Potters Savings and Loan Company of East Liverpool, Ohio.

Appraisal Committee — Vice-

(Continued on page 1582)

Indiana Savings-Loan League Officers

The Savings and Loan League of Indiana, the State trade organization for savings and loan associations, is headed by Edward W. Springer, who is Secretary of the Atkins Savings and Loan Association of Indianapolis. Other officers of the Indiana league are: George E. Hayes, First Vice-President, who is President of the First Federal Savings and Loan Association of Marion; Arthur W. Allen, Second Vice-President, who is Secretary of the Home Building and Loan Association of Washington; and Ivan E. Cooprider, Secretary of the League.

Edward W. Springer

Backbone of Savs. & Loan Lending Of Small Loans For Wartime Homes

Shorter Terms For Repayment Are Desired Association Managers Find

By JAMES CLAWSON, Muncie, Indiana

National Executive Councilman, U. S. Savings and Loan League

The backbone of the lending program of the savings, building and loan associations for the past twelve months has been the granting of loans averaging about $3,100 apiece to families wishing to buy existing properties, chiefly for owner-occupancy. Since April 9, 1942 when the WPB building restriction order went into effect, the associations throughout the country have advanced $575,000,000 in this kind of small transactions in thousands of communities. Such loans made in the past year, on an average $5,000 to $6,000 property, constitute a good 10% of the loan portfolios of the institutions today. From many angles they are prime paper for the associations.

Managers of savings and loan institutions making these loans note that shorter terms for repayment are desired by the wartime home buyers. Where 20-year loans were once the norm in the customer's mind when he came in to apply for a loan, today's applicants, living in a period of easy money, see their way clear to paying off the debt faster. Contrary to what many theorists think about borrowers as a group, I believe they have always preferred to pay out as soon as possible, if they can see their way clear to do it. And the fact that they can see their way clear is responsible for much of the willingness nowadays to sign up for a 12 to 15-year period of repayment. Thus today's home purchase loans provide for the borrower to pay out in 1955, 1956 or 1957, as a rule.

A loan of this timing has always seemed to experienced savings and loan managers to have the least risk of any term for which we can lend. Many of those familiar with savings and loan will remember the stand we took continually in the 1930's that a long-term loan could be too long, that the tendency to stretch a loan out over the period of 20 and up to 25 years just to get the monthly payments down to next to nothing was injurious to the borrower. It gave him too long a time to run the gamut of human fortunes with a debt over his house. On the basis of the record of American business, for instance, we can see a borrower paying off his mortgage between major depressions if he has a 12-year loan on his house, and certainly he will not be likely to experience more than one depression if he contracts to pay off in 12 or 15 years. If he waits 20 or 25 years to clear it up, he may run into the hazards of two depressions. I know it is modern and fashionable to assume that there will be no more depressions, but a man borrowing money and an institution lending money must consider the possibility, even the likelihood, that another period like that will come along in our generation.

Of course a shorter repayment period also decreases the risk of the borrower's suffering loss of income from accident, from ill health of a serious and prolonged nature, or from advancing age bringing on unemployment. On a 12-year loan plan, the homebuyer has paid off 35% of his loan in the first five years and the mortgagee institution is thus protected against a 35% depreciation in the security behind the loan. By contrast, the first five years reduce the principal of a 25-year loan by just 11%, and when depreciation on a property starts, 11% doesn't give you very far to go before the property is worth less than the loan. With a great majority of today's home purchase loans being made on a 12 to 15-year basis, the associations will still be in a sound position with their security, even if 1948, for example, should see a slump in values of sizable proportions.

Some savings and loan managers are making even more of the present plentitude of money, when they negotiate purchase loans with their borrowers. They are safeguarding against what may be inflation in the present-day real estate sale prices by requiring larger monthly payments in the early years of the loan. In addition to the regular monthly payment which the borrower would pay on the association's ordinary loan plan, he pays an additional $10 or $15 a month to liquidate in three years the excess amount in the sale price of the property which the association's appraisers believe to be inflationary.

Part of the prime quality of these loans is also due to the fact that most of the properties were purchased for owner-occupancy. These are not days when real estate speculation is in the forefront of transactions. Today's buyers are mainly those who are interested in striking while the iron is hot to get a home, since they have wanted one all their lives. Such people are known to be the best credit risks. From the beginning of savings and loan loan operations in this country 112 years ago it has been evident that the people who borrow to buy homes to live in themselves ordinarily keep up those payments as long as there is any income to do it out of. Therefore the savings and loan institution is always interested in whether or not a man is buying the property for his own family or for rent.

It is obvious, from present developments, that the bulk of the association lending for some time to come is going to continue to be for purchase of existing properties. The demand for such loans, so far this Spring, has surpassed the expectations of managers in many sections of the country. Apparently the reawakened interest in purchase of homes, which started in the late 1930's has not been dampened by the war, and 1943 may be expected to see a volume of savings and loan advances for home purchase comparable with the past two or three years. The only drawback has been the 33 1/3% down payment requirement, plus a 90-day waiting period for possession imposed by the OPA in rent controlled areas. Some relief from these provisions, which militate against home ownership in the final analysis, may come about from the hearings before the Smith Committee to investigate the acts of Executive Agencies beyond the scope of their authority. If so, the demand for purchase loans from associations this year may well exceed last year's.

N. Y. Postwar Housing Project Planned

An East side "suburb" for New York City, with housing facilities for 30,000 tenants was envisioned by Mayor LaGuardia as a postwar development that will find the city cooperating with the Metropolitan Life Insurance Co. of New York.

The Mayor has disclosed that the company will build the landscaped community in the area bounded by First Ave., Ave. C, 14th St. and 20th St., comprising 72 acres.

The development will cost from $40,000,000 to $50,000,000, and will have 35 medium-rental apartment buildings on the grounds.

Mr. LaGuardia said the average rental would be $14 a room, and that 33 per cent of the area would be covered. He pointed out that in 1910 the area was populated by 6,000 persons, in 1920 by 27,000, and that now only 11,000 live there.

Construction will not begin until the war is over, the Mayor said, adding there would be no dispossessing of families for demolition until that time.

Leroy A. Lincoln is President of the Metropolitan Life Insurance Co.

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STANDARD FEDERAL meets every standard of safety for your savings. Strong, time-tested management, ample reserves, sound underlying security, plus federal insurance for each account to $5,000, protect you. Liberal income too. Funds received by 10th of month earn from 1st.

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Buy War Bonds Here

No Market Fluctuation in this Insured Investment

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Assets Over $3,000,000

MID KANSAS FEDERAL SAVINGS AND LOAN ASSOCIATION
WICHITA, KANSAS

Financial and operative statements sent on request

St. Paul Federal
Savings and Loan Association
St. Paul, Minnesota

Assets $1,998,872.24

Current Dividend Rate
3%

Write for further Information:
AXEL A. OLSON, Exec.-Secretary

INSURED SAVINGS
Up to $5,000
Money received on or before the 10th earns from the 1st!
3%
Current Dividend Rate
NORTHWESTERN FEDERAL SAVINGS & LOAN ASSN.
823 Marquette Avenue
MINNEAPOLIS, MINN.
"A Friendly Institution"

U. S. Savings & Loan League Announces Members Of Standing Committees For 1943

(Continued from page 1581)

chairman, George T. Whelden, Indianapolis.

Attorneys' Committee — Chairman, Horace S. Wilson, President of the Southern California Building and Loan Association, Los Angeles; Vice-Chairman, Boyd Ewing, attorney of the Farm and Home Savings and Loan of Nevada, Missouri, and Chauncey E. Wheeler, attorney for the Coats Building and Loan Association, Pawtucket, Rhode Island.

Chamber of Commerce Committee—Chairman, E. E. Shelton, President of the Dallas Federal Savings and Loan Association.

Conference Committee with American Bankers Association—Chairman, George W. West, President of the First Federal Savings and Loan Association, Atlanta.

Committee on United States League Constitution — Chairman, Myron H. Gray, President of the Muncie (Indiana) Federal Savings and Loan Association; Vice-Chairman, George B. Campbell, President of the Independent Building-Loan Association, San Jose, Calif.

Committee on Construction Loan Policies and Procedures—Chairman, C. W. Grove, President of the Second Federal Savings and Loan Association, Cleveland; Vice-Chairman, B. N. Bell, Secretary of the Twin City Federal Savings and Loan Association, Minneapolis.

Cup Contest Committee (to arrange public speaking contests among savings and loan personnel)—Chairman, Vern C. Soash, Manager of the Savings Department of the Minnesota Federal Savings and Loan Association, St. Paul; Vice-Chairmen, Mrs. Ruth M. Lowe, and Fred P. Todd, Secretary-Treasurer of the Surety Savings and Loan Association, Detroit.

Committee on Economic Policies—Chairman, Leo F. Welch, President of the Celtic Federal Savings and Loan Association of Indianapolis; Vice - Chairman, Lloyd I. Tilton, Secretary-Manager of the Santa Barbara Mutual Building and Loan Association.

Committee on FHA—Chairman, Paul Endicott, President of the Home-Builders' Loan Association, Pomona, Calif.; Vice-Chairman, James H. Hammond, President of the Security Federal Savings and Loan Association, Columbia, S. C.

Federal Legislative Committee —Vice - Chairman, C. Clinton James, Vice-President of the Columbia Permanent Building Association of Washington, D. C.

Federal Section Committee — Chairman, J. J. O'Malley, President of the First Federal Savings and Loan Association, Wilkes-Barre, Pa.; Vice-Chairmen, Henry P. Irr, Executive Vice-President of the Baltimore Federal Savings and Loan Association, and A. Grover Welsh, President of the First Federal Savings and Loan Association of Youngstown, Ohio.

Committee on Fidelity Bonds and Insurance—Chairman, Joel W. Leslie, President of the Mutual Home Federal Savings and Loan Association, Grand Rapids, Mich.; Vice-Chairman, E. L. McAleer, Secretary of the Equitable Cooperative Building Association of Washington, D. C.

Committee on Home Taxation—Chairman, Edward M. Barney, President of the Lincoln Cooperative Bank, Lynn, Mass.; Vice-Chairman, F. R. Peake, President-Manager of the Community Federal Savings and Loan Association of Berkeley, Calif.

Committee on Housing—Chairman, E. R. Thrapp, Executive Vice-President of the Southern California Building and Loan Association, Los Angeles.

Insured Section Committee,—Vice-Chairmen, Wendell C. Gates, Secretary-Treasurer, Industrial Savings and Loan Association, Battle Creek, Mich., and F. S. McWilliams, President of the Fidelity Savings and Loan Association, Spokane, Wash.

Committee on Investments and Investment Policies — Chairman, Lt. Col. Harrison L. Garner of the Anchor Savings and Loan Association, Madison, Wis.; Vice-Chairman, J. F. Stevens, Secretary of the Gate City Building and Loan Association, Greensboro, N. C.

Membership Committee—Chairman, Paul L. Gereke, Executive Vice-President of the Concordia Savings and Loan Association, Chicago; Vice-Chairman, D. R. Evans, Secretary-Treasurer of the Wm. H. Evans Building and Loan Association of Akron, Ohio.

Committee on Merger Policy and Procedure — Vice-Chairman, Harold A. Noble, President of the San Joaquin Building and Loan Association, Stockton, Calif.

Committee on Personnel Policies—Chairman, Ralph R. Crosby, Vice-President of the Old Colony Cooperative Bank, Providence, R. I.; Vice-Chairman, W. R. Gibbon, Vice-President of the State Mutual Building and Loan Association, Los Angeles.

Committee on Public Education —Chairman, H. C. Horton, Secretary of the Westerleigh Savings and Loan of Staten Island, New York; Vice-Chairman, William H. Harmon, President of the Vincennes (Indiana) Savings and Loan Association.

Committee on Real Estate Management—Chairman, W. R. Mahood, Secretary-Manager of the Northern Federal Savings and Loan Association, St. Paul, Minn.; Vice-Chairman, Ralph B. Wilkinson, Treasurer of the Lawrence Cooperative Bank, Lawrence, Mass.

Committee on Public Relations —Chairman, A. J. Klyczek, Secretary-Treasurer of the Citizens Federal Savings and Loan Association of Chicago Heights, Ill.; Vice-Chairman, Wm. F. St. Clair, Secretary of the Boone National Savings and Loan of Columbia, Mo.

Committee on Reserve Credits and Banking Relations—Chairman E. J. Rupert, Vice-President and Secretary of the Broadview Savings and Loan Co., Cleveland, Ohio.

State Section Committee, Vice-Chairman, D. W. Seaton, Secretary-Treasurer of the Detroit and Northern Michigan Building and Loan Association, Hancock, Mich.

Committee on Supervision, Examination and Audit—Chairman, Allen C. Knowles, President of the South Side Federal Savings and Loan Association, Cleveland.

Committee on Trends—Chairman, F. S. McWilliams, President of the Fidelity Savings and Loan Association, Spokane, Wash.; Vice-Chairman, M. K. M. Murphy, Executive Vice-President, Boiling Springs Savings and Loan Association, Rutherford, N. J.

Committee on War Policies and Activities—Vice-Chairman, Raymond P. Harold, President of the Worcester (Mass.) Cooperative Federal Savings and Loan Association.

'I Am An American Day' To Be Observed May 16

For the fifth successive year, the people of the United States will celebrate "I Am An American Day" in honor of American citizenship and to call attention to what citizenship signifies, the Office of War Information announced on April 26. President Roosevelt on March 13 issued a proclamation fixing Sunday, May 16, as the date of the nation-wide celebration, reference to which appeared in these columns April 8, page 1311.

The OWI announcement further stated:

"Since 1940, when a joint resolution of Congress gave official recognition to 'I Am An American Day,' the President has been authorized by the resolution to set aside the third Sunday in May of each year as a public occasion for honoring all those who have attained the status of full citizenship by coming of age or through naturalization.

"In 1939, a 'New Citizens Day' was sponsored nationally by the Immigration and Naturalization Service of the United States Department of Labor, which requested local officials to observe June 8 of that year as the date of celebration. The Congressional resolution of the following year changed the date and designation and authorized the President to issue an appropriate annual proclamation.

"When the Immigration and Naturalization Service was transferred to the Department of Justice in 1940, the succeeding observances of the day fell under the auspices of that Department. 'I Am An American Day,' however, remains purely a local activity, organized and directed by local committees in the communities that desire to participate. The number of communities taking part in this unique celebration has risen from about 200 in 1939 to more than 300 in 1942. This year, it is expected that a far greater number of towns and cities will hold ceremonies."

Standard Savings & Loan Ass'n Celebrates Golden Anniversary

The Golden Anniversary of the Standard Savings & Loan Association, which was founded in Detroit on April 27, 1893, is being featured by a unique Early Detroit Historical Exhibit in the lobby of the Standard Savings Building, Griswold and Jefferson. Arranged through the cooperation of the Detroit Historical Society, the exhibit is remaining open to the public through May 15 and includes many original and unduplicated items of furniture, clothing, office equipment, fire-fighting apparatus, maps, pictures and models of Early Detroit. Another feature of the Standard's 50th anniversary was the purchase by the association of a block of $700,000 of war bonds in the Second War Loan Drive.

Growth of the association since 1893 is revealed by the fact that assets have increased from $31,000 in its first financial statement to more than $13,000,000 at the end of the first quarter of 1943, making the Standard today the largest insured savings and loan association in Michigan and placing it among the larger associations in the country.

"During its 50 years as a home loan and savings institution, the Standard has granted mortgage loans totaling over $66,000,000, providing the means of home ownership for over 30,000 families," states Walter J. L. Ray, Vice-President and Secretary of the association. "We have paid out over $12,258,000 dividends and have maintained a record of keeping our doors open through wars and depressions for the full half century, even including the Bank Holiday of 1933.

"We are especially proud, as we approach this 50th anniversary, of the manner in which we have been able to serve our country in this present conflict, the third American war we have experienced since our founding," said Mr. Ray. "We are promoting the sale of war bonds with vigor by offering complete facilities to the public as an issuing agent, and by buying bonds individually and as an institution with 100% employee participation.

"The savings and loan associations in this country have a real responsibility placed on them in war time and we are shouldering this responsibility by loaning funds for war-housing and by safeguarding the funds of our members who are serving in the armed forces of our country. Furthermore, we have continued our newspaper advertising for savings accounts, even though we know that the volume of new savings would increase steadily without solicitation throughout 1943, because we know that earnings placed in savings accounts do not contribute to dangerous inflationary spending."

Thomas E. Shaffer, Chairman of the Board, is the oldest officer in years of service now connected with the association, starting with the Standard in January of 1900 and serving the association continuously for 43 of its 50 years. Howard C. Baldwin, President and General Counsel, has been on the Board continuously for 24 years. City Councilman James H. Garlick has been a Director for 24 years, and Frank Blair, President of the Union Joint Stock Land Bank, was first appointed on the Standard Board in 1911. Walter J. L. Ray, Vice-President and Secretary, and with the association for 27 years, is the present Governor in the Michigan District of Kiwanis International.

20 Million In 20 Years For Twin City Federal

The Twin City Federal Savings and Loan Association of Minneapolis, this month celebrating the 20th anniversary of its founding, has issued a most attractive commemorative booklet.

In its 20 years of growth and service, the association has paid 40 consecutive semi-annual dividends to its members totaling $2,886,478.31 and has financed 14,126 homes for members. Its resources have grown steadily through the years to a total of over $20,000,000.

Present officers of the association are: A. M. Blaisdell, Chairman of the Board; Roy W. Larsen, President; Henry Rines, Vice-President, and B. N. Bell, Secretary-Treasurer. With the exception of Mr. Rines, who became an officer of the association in 1924, all were original officers or directors of the association.

Officers of the association in an anniversary statement declare:

"On our 20th anniversary, and in spite of the grimness of the times, we feel it our duty to affirm our faith in the future of America, of our community and of our way of life. To help with all our human and financial resources is our duty and privilege.

"This association has purchased over $2,750,000 of war bonds and other Government obligations. Our facilities are being used for the sale of war bonds and stamps. Our personnel is contributing generously of time and money to help hasten the return of peace."

NYSE Revises Report Of Money Borrowed

The Department of Member Firms of the New York Stock Exchange has revised Form MF-4, "Report of Money Borrowed," so as to show separately the amount of money borrowed upon the collateral of United States Government obligations from the amount of all other money borrowings. All other instructions for reporting remain unchanged.

Regarding the reason for the change, the Exchange's letter to member firms said:

"This change is made so that the reported amount of credit ordinarily employed by member firms will not reflect any loans upon Government securities, particularly any temporary borrowings made upon Government securities in connection with the war financing program. Such borrowings will be reported as a separate amount. The change is made at this time in view of the second war loan drive of the United States Treasury which will commence on April 12, 1943."

MBA Group To Study HOLC Liquidation

In an attempt to find some plan whereby the prospective loss to the government from liquidation of the Home Owners' Loan Corporation may be drastically cut from present estimates of several hundred million dollars, the Mortgage Bankers Association of America is setting up a special committee of its members to make an investigation into the matter with the hope of suggesting some method to achieve that objective, Charles A. Mullenix, Association President, announced on April 17.

The group will be headed by M. T. MacDonald, Vice-President, The Trust Company of New Jersey, Jersey City, and will include H. C. Peiker, Massachusetts Mutual Life Insurance Co., Springfield; H. R. Templeton, Vice-President, The Cleveland Trust Co.; T. S. Burnett, Pacific Mutual Life Insurance Co., Los Angeles; E. B. Schwulst, Vice-President, Bowery Savings Bank, New York; and Robert Montgomery, Vice-President, Acacia Mutual Life Insurance Co., Washington, D. C. Mr. Mullenix had the following to say in the matter:

"John H. Fahey, Commissioner of the Federal Home Loan Bank Administration, has told the Byrd Committee that forced liquidation of HOLC within a year as provided in an amendment to the appropriations bill would cost the government 'at least $440,000,000—some $373,000,000 more than the Corporation's present deficit.' Congressman Dirksen has questioned this estimate in a House speech. It is hoped that one of the first results of our committee's activities will be establishing some indication as to the government's loss if liquidation is forced now.

"Liquidation should be undertaken with the prospect of the minimum loss to the government. Our group hopes to be able to contribute something constructive toward achieving that end."

Cotton Consumption In March

Under date of April 14, 1943, the Census Bureau at Washington issued its report showing cotton consumed in the United States, cotton on hand, and active cotton spindles in the month of March.

In the month of March, 1943, cotton consumed amounted to 995,512 bales of lint and 108,851 bales of linters, as compared with 878,154 bales of lint and 98,449 bales of linters in February, 1943, and 967,406 bales of lint and 131,820 bales of linters in March, 1943.

For the eight months ending with March 31 cotton consumption was 7,501,422 bales of lint and 892,653 bales of linters, against 7,250,418 bales of lint and 975,909 bales of linters in the same eight months a year ago.

There were 2,488,771 bales of lint and 476,480 bales of linters on hand in consuming establishments on March 31, 1943, which compares with 2,528,215 bales of lint and 501,929 bales of linters on Feb. 28, 1943, and with 2,653,569 bales of lint and 555,000 bales of linters on March 31, 1942.

On hand in public storage and at compresses on March 31, 1943, there were 11,469,546 bales of lint and 97,538 bales of linters, and 12,373,506 bales of lint and 94,453 bales of linters on Feb. 28, 1943, and 11,469,546 bales of lint and 174,054 bales of linters on March 31, 1942.

There were 22,925,194 cotton spindles active during March, 1943, which compares with 22,859,160 active cotton spindles during February, 1943, and with 23,108,966 active cotton spindles during March, 1942.

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UNION PACIFIC RAILROAD COMPANY

FORTY-SIXTH ANNUAL REPORT — YEAR ENDED DECEMBER 31, 1942

To the Stockholders of Union Pacific Railroad Company:

The Board of Directors submits the following report for the year ended December 31, 1942, of the operations and affairs of the Union Pacific Railroad Company, including lines leased from Oregon Short Line Railroad Company, Oregon-Washington Railroad & Navigation Company, Los Angeles & Salt Lake Railroad Company and The St. Joseph and Grand Island Railway Company. The lessor companies have certain income and charges, and the figures in the Income Account, other than those relating to transportation operations, and in the Profit and Loss Account and General Balance Sheet and tabulations and tables relating thereto are stated on a consolidated basis, *excluding offsetting accounts between the companies.*

INCOME

The operated mileage at close of year and income for the year 1942, compared with 1941, were as follows:

Operated Mileage at Close of Year	1942	1941	Increase	Decrease
Miles of road	9,836.94	9,870.77	------	33.83
Miles of additional main track	1,537.86	1,537.92	------	.06
Miles of yard tracks and sidings	4,304.27	4,310.03	------	5.76
Total Mileage Operated	15,679.07	15,718.72	------	39.65
Transportation Operations				
Operating revenues	$353,064,543.08	$218,091,994.24	$134,972,548.84	
Operating expenses	219,039,130.43	159,997,894.58	59,041,235.85	
Revenues over expenses	$134,025,412.65	$58,094,099.66	$75,931,312.99	
Taxes	61,744,143.59	17,784,641.71	43,959,501.88	
Railway Operating Income	$72,281,269.06	$40,309,457.95	$31,971,811.11	
Rents from use of joint tracks, yards, and terminal facilities	1,802,117.44	1,559,762.67	242,354.77	
	$74,083,386.50	$41,869,220.62	$32,214,165.88	
Hire of equipment—debit balance	$10,328,128.04	$9,048,383.48	$1,279,744.56	
Rents for use of joint tracks, yards, and terminal facilities	2,730,538.63	2,285,463.65	445,074.98	
	$13,058,666.67	$11,333,847.13	$1,724,819.54	
Net Income from Transportation Operations	**$61,024,719.83**	**$30,535,373.49**	**$30,489,346.34**	
Income from Investments and Sources other than Transportation Operations				
Income from oil operations in Southern California—net	$7,790,678.43	$4,542,499.41	$3,248.179.02	
Dividends on stocks owned	4,285,213.50	4,547,965.00	------	$262.751.50
Interest on bonds, notes, and equipment trust certificates owned	2,208,436.78	2,179,417.28	29,019.50	
Income from unfunded securities and accounts	323,267.63	184,450.15	138,817.48	
Rents from lease of road and equipment	181,508.03	232,838.28	------	51,330.25
Miscellaneous rents	390,799.92	348,753.36	42,046.56	
Miscellaneous income	618,958.70	751,178.23	------	132,219.53
Total	$15,798,862.99	$12,787,101.71	$3,011,761 28	
Total Income	$76,823,582.82	$43,322,475.20	$33,501,107.62	
Fixed and Other Charges				
Interest on funded debt	$13,642,641.03	$13,619,757.81	$22,883.22	
Interest on unfunded debt	491,806.98	313,833.21	177,973.77	
Miscellaneous rents	31,635.69	13,467.34	18,168.35	
Miscellaneous charges	573,514.45	517,997.33	55,517.12	
Total	$14,739,598.15	$14,465,055.69	$274.542.46	
Net Income from All Sources	**$62,083,984.67**	**$28,857,419.51**	**$33,226,565.16**	

DISPOSITION OF NET INCOME

		1942	1941	Increase	Decrease
Dividends on Stock of Union Pacific Railroad Co.:					
Preferred stock:					
2 per cent paid April 1, 1942	$1,990,862.00				
2 per cent paid October 1, 1942	1,990,862.00	$3,981,724.00	$3,981,724.00		
Common stock:					
1½ per cent paid April 1, 1942	$3,334,365.00				
1½ per cent paid July 1, 1942	3,334,365.00				
1½ per cent paid October 1, 1942	3,334,365.00				
1½ per cent payable January 2, 1943	3,334,365.00	13,337,460.00	13,337,460.00		
Total Dividends		$17,319,184.00	$17,319,184.00		
Surplus, Transferred to Profit and Loss		**$44,764,800.67**	**$11,538,235.51**	**$33,226,565.16**	

Operating results for year 1942 compared with year 1941:

	1942	1941	Increase	Decrease	Per Cent
Average miles of road operated	9,856.45	9,878.40	------	21.95	.2
OPERATING REVENUES					
1. Freight	$282,241,762.85	$180,272,441.59	$101,969,321.26	------	56.6
2. Passenger	45,793,903.42	21,554,470.79	24,239,432.63	------	112.5
3. Mail	6,209,043.77	6,242,147.18	------	$33.103.41	.5
4. Express	5,606,469.70	2,516,164.16	3,090,305.54	------	122.8
5. Other passenger-train	6,261,538.26	2,772,333.45	3,489,204.81	------	125.9
6. Switching	2,500,884.50	2,076,420.96	424,463.54	------	20.4
7. Other	4,450,940.58	2,658,016.11	1,792,924.47	------	67.5
8. Total operating revenues	$353,064,543.08	$218,091,994.24	$134,972,548.84	------	61.9
OPERATING EXPENSES					
9. *Maintenance of way and structures	$45,570,296.54	$26,981,583.33	$18,588,713.21	------	68.9
10. *Maintenance of equipment	59,889,098.15	45,803,175.36	14,085,922.79	------	30.8
11. Total maintenance	$105,459,394.69	$72,784,758.69	$32,674,636.00	------	44.9
12. Traffic	5,148,256.71	5,246,944.91	------	$98,688.20	1.9
13. Transportation—rail line	94,219,700.36	71,621,704.87	22,597,995.49	------	31.6
14. Miscellaneous operations	7,404,479.07	4,459,483.23	2,944.995.84	------	66.0
15. General	6,807,299.60	5,885,002.88	922,296.72	------	15.7
16. Total operating expenses	$219,039,130.43	$159,997,894.58	$59,041,235.85	------	36.9
17. Revenues over expenses	$134,025,412.65	$58,094,099.66	$75,931,312.99	------	130.7

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*Includes depreciation and amortization charges:					
Maintenance of way and structures	$364,048.18	$90.041.82	$274,006.36	------	304.3
Maintenance of equipment	12,087,723.53	8,431,380.77	3,656,342,76	------	43.4

TAXES	1942	1941	Increase	Decrease	Per Cent
18. State and county	$9,600,000.00	$9,571,952.45	$28,047.55	------	.3
19. Federal income	$42,526,201.58	$2,039,241.51	$40,486,960.07	------	---
20. Federal capital stock	1,812,031.50	378,891.50	1,433,140.00	------	378.2
21. Federal unemployment insurance	3,878,172.96	2,882,970.13	995,202.83	------	34.5
22. Federal retirement	3,878,145.86	2,883,538.57	994,607.29	------	34.5
23. Other federal	49,591.69	28,047.55	21,544.14	------	76.8
24. Total federal	$52,144,143.59	$8,212,689.26	$43,931,454.33	------	534.9
25. Total taxes	$61,744,143.59	$17,784,641.71	$43,959,501.88	------	247.2
26. Railway operating income	$72,281,269.06	$40,309.457.95	$31,971,811.11	------	---
27. Equipment rents (debit)	10,328,128.04	9,048,383.48	1,279,744.56	------	14.1
28. Joint facility rents (debit)	928,421.19	725,700.98	202,720.21	------	27.9
29 Net railway operating income	$61,024,719.83	$30,535,373.49	$30,489,346.34	------	99.8
Per cent—Operating expenses of operating revenues	62.04	73.36	------	11.32	15.4
FREIGHT TRAFFIC *(Commercial Freight only)*					
Tons of revenue freight carried	45,568,297	33,824,223	11,744,074	------	34.7
Ton-miles, revenue freight	27,185,067,113	18,738,920,553	8,446,146,560	------	45.1
Average distance hauled per ton *(miles)*	596.58	554.01	42.57	------	7.7
Average revenue per ton-mile *(cents)*	1.038	.962	.076	------	7.9
Average revenue per freight-train mile	$8.74	$5.89	$2.85	------	48.4
PASSENGER TRAFFIC *(Excludes Motor Train, other than Streamlined Train)*					
Revenue passengers carried	3,941,870	2,109,885	1.831,985	------	86.8
Revenue passengers carried one mile	2,570,621,803	1,283,992,931	1,286,628,872	------	100.2
Average distance hauled per passenger *(miles)*	652.13	608.56	43.57	------	7.2
Average passengers per passenger-train mile	162.09	87.52	74.57	------	85.2
Average revenue per passenger-mile *(cents)*	1.776	1.670	.106	------	6.3
Average revenue per passenger-train mile, passengers only	$2.88	$1.46	$1.42	------	97.3
Average total revenue per passenger-train mile	$3.70	$2.01	$1.69	------	84.1

GENERAL BALANCE SHEET—ASSETS

Investments:	**December 31, 1942**	**December 31, 1941**	Increase	Decrease
Road and Equipment	$1,017,326,273.24	$999,797,915.85	$17,528,357.39	
Less:				
Receipts from improvement and equipment fund	$23,823,091.13	$23,823,091.13		
Appropriations from income and surplus prior to July 1, 1907, credited to this account	13,310,236.52	13,310,236.52		
Total	$37,133,327.65	$37,133,327.65		
701. **Road and equipment property**	**$980,192,945.59**	**$962,664,588.20**	**$17,528,357.39**	
703. Sinking funds	$50.00	$875.00	------	$825.00
704. Deposits with trustees in lieu of mortgaged property	$3,847,435.55	$14,354,350.47	------	$10,506,914.92
705. Miscellaneous physical property	24,532,578.02	24,743,053.22	------	210,475.20
Total	$28,380,013.57	$39,097,403.69	------	$10,717,390.12
706. **Investments in affiliated companies:**				
Stocks	$19,424,941.91	$19,424,941.91		
Bonds, notes, and equipment trust certificates	6,035,782.38	6,367,178.12	------	$331,395.74
Advances	10,907,817.58	10,970,351.70	------	62,534.12
Total	$36,368,541.87	$36,762,471.73	------	$393,929.86
707. **Investments in other companies:**				
Stocks	$63,380,981.35	$63,380,981.35		
Bonds, notes, and equipment trust certificates	41,962,376.46	42,701,494.47	------	$739,118.01
Total	$105,343,357.81	$106,082,475.82	------	$739,118.01
707½. Reserve for adjustment of investments in securities (Credit)	*$34,972,395.88*	(a)*$34,972,570.88*	------	*$175.00*
Total Investments	**$1,115,312,512.96**	**(a)$1,109,635,243.56**	**$5,677,269.40**	
Current Assets:				
708. Cash	$48,954,293.85	$36,854,166.07	$12,100,127.78	
709. Temporary cash investments (U. S. Gov't securities)	53,071,600.00	6,000,000.00	47,071,600.00	
711. Special deposits	1,064,705.68	897,381.68	167,324.00	
712. Loans and bills receivable	1,081.67	62,399.45	------	$61,317.78
713. Traffic and car-service balances—net	2,934,219.19	4,668,622.64	------	1,734,403.45
714. Net balance receivable from agents and conductors	11,583,973.69	3,619,318.37	7,964,655.32	
715 Miscellaneous accounts receivable	20,600,386.90	7,771,494.19	12,828,892.71	
716. Material and supplies	41,933,468.65	33,648,741.62	8,284,727.03	
717. Interest and dividends receivable	949,943.31	916,886.06	33,057.25	
718. Rents receivable	141,694.81	152,159.29	------	10,464.48
719. Other current assets:				
Baltimore and Ohio Railroad Co. capital stock applicable to payment of extra dividend of 1914	111,451.10	111,531.10	------	80.00
Miscellaneous items	9,902.36	111.37	9,790.99	
Total Current Assets	$181,356,721.21	$94,702,811.84	$86,653,909.37	
Deferred Assets:				
720. Working fund advances	$77,651.48	$121,090.49	------	$43,439.01
722. Other deferred assets	17,198,406.80	5,811,931.35	$11,386,475.45	
Total Deferred Assets	$17,276,058.28	$5,933,021.84	$11,343,036.44	
Unadjusted Debits:				
723. Rents and insurance premiums paid in advance	$41,516.89	$57,642.92	------	$16,126.03
725. Discount on funded debt	573,134.36	604,828.40	------	31,694.04
727. Other unadjusted debits	6,957,973.94	4,760,149.68	$2,197,824.26	
Total Unadjusted Debits	$7,572,625.19	$5,422,621.00	$2,150,004.19	
Grand Total	**$1,321,517,917.64**	**(a)$1,215,693,698.24**	**$105,824,219.40**	

(a) Restated to conform with change in Interstate Commerce Commission classification under which the "Reserve for adjustment of investments in securities," formerly included in "Appropriated Surplus," is now deducted from total investments.

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GENERAL BALANCE SHEET—LIABILITIES

	December 31, 1942	December 31, 1941	Increase	Decrease
751. **Capital Stock**				
Common stock	$222,302,500.00	$222,302,500.00		
Preferred stock	99,591,580.79	99,591,580.79		
Total Capital Stock	$321,894,080.79	$321,894,080.79		
755. **Funded Debt**	368,553,760.00	371,643,180.00	--------	$3,089,420.00
Total	$690,447,840.79	$693,537,260.79	--------	$3,089,420.00
754. **Grants in Aid of Construction**	$9,113,079.76	$9,243,217.26	--------	$130,137.50
757. **Due to Affiliated Companies**	$8,522,803.23	$7,854,478.28	$668,324.95	
Current Liabilities:				
760. Audited accounts and wages payable	$16,687,467.95	$14,700,899.62	$1,986,568.33	
761. Miscellaneous accounts payable	1,344,021.79	785,193.73	558,828.06	
762. Interest matured unpaid:				
Coupons matured, but not presented	879,179.26	569,373.01	309,806.25	
Coupons and interest on registered bonds, due first proximo	4,072,620.20	4,088,396.10	--------	$15,775.90
763. Dividends matured unpaid:				
Dividends due but uncalled for	233,867.14	187,360.18	46,506.96	
Extra dividend on common stock declared January 8, 1914, payable to stockholders of record March 2, 1914, unpaid	120,279.05	120,362.07	--------	83.02
Dividend on common stock payable second proximo	3,334,365.00	3,334,365.00		
764. Unmatured interest accrued	686,557.91	693,055.00	--------	6,497.09
766. Unmatured rents accrued	228,797.10	276,388.88	--------	47,591.78
767. Accrued tax liability	51,043,131.35	9,472,679.45	41,570,451.90	
768. Other current liabilities	1,326,009.23	953,656.56	372,352.67	
Total Current Liabilities	$79,956,295.98	$35,181,729.60	$44,774,566.38	
Deferred Liabilities:				
770. Other deferred liabilities	$12,903,730.88	$11,327,557.32	$1,576,173.56	
Unadjusted Credits:				
772. Premium on funded debt	$84,393.02	$88,411.73	--------	$4,018.71
773. Reserve for fire insurance	11,230,055.07	10,670,484.20	$559,570.87	
(a) Reserve for depreciation	143,142,923.85	(b) 133,707,985.14	9,434,938.71	
(c) Reserve for amortization of National defense projects	4,196,461.28	(b) 186,751.13	4,009,710.15	
778. Other unadjusted credits:				
Contingent interest	1,941,972.07	1,900,496.74	41,475.33	
Miscellaneous items	11,062,241.52	4,467,279.59	6,594,961.93	
Total Unadjusted Credits	$171,658,046.81	$151,021,408.53	$20,636,638.28	
Total Liabilities	**$972,601,797.45**	**$908,165,651.78**	**$64,436,145.67**	
Surplus:				
Appropriated for additions and betterments	$30,926,328.88	$30,840,876.23	$85,452.65	
Funded debt retired through income and surplus	1,903,078.66	1,674,858.66	228,220.00	
Sinking fund reserves	50.00	875.00	--------	$825.00
Total Appropriated Surplus	$32,829,457.54	(d) $32,516,609.89	$312,847.65	
784. **Profit and Loss—Credit Balance**	**276,516,492.91**	**235,441,266.83**	**41,075,226.08**	
Total Surplus	$309,345,950.45	(d) $267,957,876.72	$41,388,073.73	
As this consolidated balance sheet excludes all intercompany items, securities of the Los Angeles & Salt Lake Railroad Company and The St. Joseph and Grand Island Railway Company owned by other System companies are not included. The difference between the par and face value of such securities as carried on the books of the issuing companies (less unextinguished discount on the bonds and discount charged to Profit and Loss but added back in consolidating the accounts) and the amounts at which the securities are carried on the books of the owning companies is set up here to balance	$39,570,169.74	$39,570,169.74		
Grand Total	**$1,321,517,917.64**	**(d) $1,215,693,698.24**	**$105,824,219.40**	

(a) Accounts 775, 776 and 777.

(b) Restated—"Reserve for amortization of National Defense projects," was included in "Reserve for depreciation" in 1941 balance sheet.

(c) Accounts 775½ and 776½.

(d) Restated.

EXPENDITURES CHARGEABLE TO INVESTMENT IN ROAD AND EQUIPMENT PROPERTY

Extensions and Branches	$1,704.26
Additions and Betterments (excluding equipment)	7,130,206.41
Equipment	15,022,952.61
Total Expenditures	$22,154,863.28
Credits to investment in Road and Equipment Property:	
Cost of property retired and not replaced	$3,572,752.78
Cost of equipment retired	1,053,753.11
Total Credits	$4,626,505.89
Net increase in investment in "Road and Equipment Property"	$17,528,357.39

Industrial Activity Up Slightly In March According To Federal Reserve Board Report

In its summary of general business and financial conditions, the Board of Governors of the Federal Reserve System reported on April 22 that "industrial activity increased slightly in March and prices of commodities advanced further. Retail trade in March and the first half of April was in large volume, although reduced from the February peak." The Board's summary continued:

Industrial Production

The Board's seasonally adjusted index of industrial production advanced from 202% of the 1935-39 average in February to 203 in March. The rise in total output continued to reflect chiefly increased production in the machinery and transportation equipment industries producing armaments. At merchant shipyards 146 ships were delivered in March. Completions totaled 1,516,000 deadweight tons, an annual rate of more than 18,000,000 tons.

Steel mills operated at peak levels. Production of lumber, however, increased less than usual in March, continuing the gradual downward trend of production which began a year ago.

Output of fuels reached a new peak in March. Bituminous coal production rose further. Crude petroleum output likewise exceeded the February level as new pipeline facilities for transport of petroleum products to the East Coast were completed.

Output of important non-durable manufactures was maintained in March. In most branches of the wool textile industry production increased to new high levels in February and March following a Federal order allowing an increase in wool consumption for the manufacture of civilian fabrics.

The value of construction contracts awarded in March, according to figures of the F. W. Dodge Corp., continued at a level considerably lower than that for the year 1942, reflecting chiefly the fact that the construction phase of the war program has been largely completed. Awards for residential building declined for the third consecutive month, while contracts for public works were higher than in February.

Distribution

Retail sales, which generally increase from February to March, showed little change this year, following the buying wave that swept the country in February. At department stores, where increases in February had been particularly marked, sales declined in March and the Board's seasonally adjusted index dropped from 167 to 135% of the 1923-25 average. Despite this decline, the index continued above the high level that prevailed in the latter part of last year. In the first half of April department store sales increased by about the usual seasonal amount, making allowance for the late date of Easter this year.

Total carloadings of revenue freight in March remained at the February level and other transportation activity was also maintained in large volume.

Commodity Prices

Wholesale commodity prices averaged higher in March and the early part of April, reflecting advances in prices of farm products, foods, and a number of industrial commodities. Prices in retail markets also increased further from February to March, with relatively sharp advances in food prices.

On April 8 an Executive Order was issued directing that ceiling prices be placed on all commodities affecting the cost of living, that further increases in ceilings be prevented except to the minimum extent required by law, and that excessively high prices be reduced. Following this and announcements of particular Federal actions to safeguard the stabilization of prices, including an order reducing railroad freight rates, wholesale prices of some commodities declined and on April 16 were lower than at the beginning of the month.

Bank Credit

Excess reserves at all member banks, which decreased during the latter half of March from $2,200,000,000 to $1,500,000,000, subsequently rose to $2,600,000,000 on April 19. In the first week of April the increase resulted largely from substantial Reserve Bank purchases of Government securities; subsequently excess reserves were made available by a decline of $1,000,000,000 in required reserves, which resulted primarily from large payments to war loan accounts for Government securities sold to bank customers. This caused a shift from customers' deposits, subject to required reserves, to Government deposits which have recently been exempted from such requirements.

Government security holdings at reporting banks in 101 leading cities increased substantially during the first two weeks of April following declines in the latter part of March, which had resulted mainly from bill sales by banks in New York and Chicago. Holdings of certificates, notes and bonds increased over the four-week period ended April 14. Commercial loans at all reporting banks declined by about $210,000,000 over the four-week period. At New York City banks' loans to brokers and dealers increased steadily over the period, especially in the week of the 14th, at the beginning of the War Loan Drive. Deposits, other than those of the United States Government, increased further in March and the early part of April, but were drawn down sharply around the middle of April to make payments for purchases of new Government securities.

Mullenix Criticizes OPA For Not Correcting Rent Control Injustices

Declaring that he believed the recent refusal of Price Administrator Prentiss M. Brown to do anything to correct what he termed the injustices in rent control would, in the end, act as a "boomerang," Charles A. Mullenix, President of the Mortgage Bankers Association of America, said on April 22 that property owners must now look to Congress for relief from the excessive burdens placed upon them by the administration of the price control act.

Mr. Mullenix spoke at a meeting of Akron (Ohio) mortgage bankers at the City Club. A. R. Ritzman, President of Heminger-Ritzman Co., was chairman. Accompanying Mr. Mullenix on his visit were Norman R. Lloyd, President of Allied Mortgages, Inc., Cleveland, and a Regional Vice-President of the Association, and W. L. Underwood, Cuyahoga Abstract and Trust Co., Cleveland.

Mr. Mullenix stated:

"We have read with varying degrees of disappointment the political decision of the Administrator of OPA regarding rent control. The President has ordered that we 'hold the line' based upon the Little Steel formula, which places a theoretical maximum of 15% increase in wages above those prevailing Jan. 1, 1941. As a whole, rents have not increased as much as 5% since that date, whereas all other items in the cost of living have increased a considerable amount above 15%—as we all know when we buy clothing or food and pay several times the Jan. 1, 1941, price for vegetables.

"The Administrator implies that rent control is the only item in OPA administration which has really been effective. This is a rare admission and is due to two principal reasons. The foremost is that all of the various organizations interested in real estate, as well as the property owners, are law abiding, patriotic citizens who have cooperated fully in the prosecution of the war and, as a result, are 'taking it on the chin' to suit the political convenience of the demagogues who are interested first in political connivance. The second reason is that real estate is so easily reached and controlled, as has been demonstrated in the excessive taxation against it.

"I believe the Administrator's decision will act as a 'boomerang.' From a political standpoint he has not taken into consideration the millions of people whose profit, social security and life savings are tied up in small rental properties as well as the millions of home owners who are coming to realize that the attempt to socialize real estate affects them also.

"There are over 60,000,000 life insurance policyholders in this country who have a stake in the ultimate effect of this decision. There are other millions who have deposits in banks and savings and loans who are also affected.

"From here on it is the duty of every organization interested in real estate to begin an educational campaign, as well as exert their influence on Senators, Congressmen and other officials, to correct this gross injustice."

Real Estate Should Have Voice In Civic Affairs, Says Bruere

Since real estate bears well over half of the cost of city government, it has a right to be heard in civic matters and one of the greatest future problems facing property owners is how to establish proper relations between the city and owners of real estate, according to Henry Bruere in the current issue of "The Mortgage Banker," published by the Mortgage Bankers Association of America. Mr. Bruere is President of the Bowery Savings Bank, New York, and is recognized as one of the nation's foremost authorities on real estate and property valuation. He states:

"Real estate should not be exploited by a city government, unjustly taxed or treated as baneful as unhappily it often is. The very heart of the real estate problem in New York City, for example, is taxation. Realty valuations there, for purposes of taxation, have been reduced from $19,000,000,000 to $16,000,000,000. They are still too high and the difficult work of readjusting them must go on."

In a review of past real estate difficulties, Mr. Bruere listed seven major developments which he declared contributed to them. One has resulted in the opinion now held generally that never again will any one man's opinion be a sufficient basis for intelligent lending on real estate, he said. Mortgages in the future must continue to be amortized, he added, and real estate loans in the future must be watched as carefully as stocks or bonds. The most important development in recent mortgage history has been FHA's system of insured and amortized loans for lenders and owners alike.

Municipal News & Notes

Consistent improvement in the financial structure of Pittsburgh, Pa., over the three-year period 1940, 1941 and 1942, is seen in a statement recently issued by the Western Pennsylvania branch of the Pennsylvania Economy League. During the period mentioned, the report disclosed, total revenues of the city aggregated $71,663,966, while operating and debt service charges amounted to $71,487,661, indicating balanced budgets for each year plus a surplus of $176,305. In addition, the funded and floating indebtedness was reduced in the amount of $7,507,338 and the present total of $56,262,231 is described as the lowest since 1926, "the year when the city's building boom began."

The report recites that this year the city has sold no bonds but has appropriated $4,290,000 to the sinking fund for retirement of bonds. If no bonds were sold this year a total reduction in indebtedness of nearly $12,000,000 since 1939 would be recorded, according to the report.

No reference is made in the report to the ordinance now before Council's Finance Committee authorizing the sale of $1,500,000 worth of bonds. If the ordinance becomes law the total bond retirement for this year would be cut to $2,790,000.

The League report credits the city administration with savings of up to $500,000 in interest charges on bond fund balances, due to its policy of cancelling bond fund residues.

"In the past," the report says, "bonds were sold long before jobs were started and money was needed. When jobs were delayed the funds for that particular work were held in idleness in the City Treasury. When jobs cost less than the original estimate the bond fund balances or untouched funds were carried on the books indefinitely—some for as long as 15 years."

The report recalls that in 1920 when the funded debt was $37,000,000, bond fund balances amounted to $7,000,000 and by 1928 they had increased to $14,000,000. The city is credited with cutting these funds until now they amount to only about $1,000,000, the lowest in 23 years.

The League report concludes with a pat on the back for the administration.

"It is not a usual policy for taxpayers or taxpayers' organizations to throw bouquets at public officials. The League has maintained, however, from its earliest days, that public officials should be commended for sincere effort, for good management and for accomplished improvements in their administration."

Notice of Bond Call

City of Athens, Tenn.

Electric System Revenue Bonds
(Series A)

The Board of Public Utilities, City of Athens, Athens, Tennessee, is calling on June 1, 1943, $20,000.00 of City of Athens, Tennessee Electric System Revenue Bonds, Series A. The Bonds which will be called and numbers, are 391 thru 410 inclusive. The call price of each bond shall be at par plus accrued interest to the date of redemption plus a premium of 4% in accordance with the provisions of the Bond Resolution.

Board of Public Utilities
City of Athens, Tenn.

By J. O. WILSON, JR.
General Manager.

New York Salary Bonus Bond Measure Vetoed

Governor Thomas E. Dewey has vetoed the measure (Erlich Bill, A. Int. No. 1638, Printed No. 1862) approved at the recent session of the Legislature to authorize New York State's 12,000 local taxing units to issue five-year serial bonds to finance emergency salary bonuses to municipal employees. In a memorandum announcing the veto, Governor Dewey stated that the authority to issue bonds for such purpose was sought by "only two or three cities," but would nevertheless "stand as a continuing invitation to our 12,000 units of local government to borrow for current expenses. This practice," he continued, "would inevitably overload the tax base of every community and lead into the spiral which ends only in bankruptcy." Continuing, he said:

"I cannot approve a bill which would permit wrecking the finances of 12,000 units of local government and the security of hundreds of thousands of public employees." Saying he was "deeply sympathetic with the purpose of the bill to provide needed salary increases," the Governor declared that the State and many local units have provided for emergency increases for lower paid employees out of savings from vacant positions rather than by creating new debts or increasing taxes. None of these sound methods is involved in this bill, he said.

Oklahoma Gasoline Tax Receipts Down 25%

The opinion that gasoline tax revenues of the State of Oklahoma may stabilize at a level about 25% below receipts of a year ago was expressed by the State Tax Commission in its monthly report on collections. This view was based on results for March and February.

March gasoline tax collections totaled $1,076,390, a reduction of 24.59% from $1,427,458 in the corresponding 1942 month. February collections showed a 25.43% reduction compared with February, 1942. In January, the first month in which the effect of gasoline rationing was seen, collections were off 52.96%. The State Commission expressed the opinion at that time that this was an abnormal loss and reflected heavy buying in November, before rationing became effective.

In the period from July 1 to March 31, the first nine months of its current fiscal year, the State realized gasoline tax collections of $13,129,155, which was 18.33% less than the $16,076,341 obtained in the preceding nine months.

Sales tax collections for March rose 27.31% to $1,248,599 from $980,732, and for the nine-month period of the fiscal year they advanced 11.88% to $11,160,972 from $9,975,722. Commenting on this trend, the Commission said:

"Consumer purchasing power continued to increase in Oklahoma after it has begun to decline in many other States, because of the lag in war activities in this State. This, together with higher prices, is reflected in increased sales tax collections. Subsequently, scarcity of goods and rationing may be reflected in lower sales tax revenues in the months to come."

In the nine-month period of the fiscal year, total State receipts amounted to $53,014,228, compared with $56,110,919 in the preceding nine months, a reduction of 5.52%.

Indiana Requires Public Sale Of All Local Bonds

Under the provisions of Chapter 178, Laws of 1943, all future bond issues by Indiana municipalities, special districts, agencies or instrumentalities, whether general obligation or revenue in character, must be disposed of at public sale. The act also makes it unlawful for municipal officials to enter into a contract with any person or corporation, directly or indirectly interested in bidding for the bonds, for the purpose of furnishing legal, engineering or other services, or any agreement which would give anyone an advantage in bidding for the bonds. Where a taxing unit seeks to expand or acquire a utility system, the subdivision may appropriate a sum up to 5% of the estimated cost of the project to cover all expenses involved in making surveys, engineering plans and legal requirements.

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Local Budget Making Problems Seen Increased

City Councilmen may have to sit up late over their budget making this year to discover the proper balance between unpredictable revenues and fluctuating expenditures, the Municipal Finance Officers Association reported.

Planning and estimating municipal budgets, a hard job in peacetime, is a magnified problem in war-time because of rapid changes in conditions which make accurate forecasting difficult, the association said in a report to its members.

Decreased rather than increased revenues may be expected, and expenditures, though reduced in some instances by such factors as curtailed construction and smaller relief loads, are mounting because of other factors.

Citing eight reasons for expecting decreased municipal revenues, the association report advised municipal budgeters first to make a thorough study of their revenue systems to learn if all present revenue-producing powers are in use, whether new powers are needed, and if present enforcement is adequate to get highest return from present taxes. New sources of income then can be considered, some services may be placed on a self-supporting basis, and exemptions can be removed from property not entitled to this allowance.

The eight reasons for expecting decreased revenues: Real property tax revenues will be lessened because private building construction and improvements are "out" for the duration, rationing and price restrictions are causing many businesses to close, and the Federal Government is acquiring tax-free land in many localities for airfields and training schools.

Revenue from personal property taxes also will decline because merchants' stocks have decreased and many factories are converting to military production with federally-owned machinery, which is tax exempt. Property tax rate decreases will be demanded by taxpayers adversely affected by rent ceilings, priorities and Federal income taxes, while collections may become delinquent because of Federal tax increases.

Major Sales Scheduled

The calendar of future offerings of $500,000 or more, at this writing, consists of the $5,000,000 Philadelphia School District, Pa., bonds, for which bids will be opened on April 30, also the $3,000,000 Rochester, New York, offering to be sold on May 4.

At the district's last sale, in Dec., 1939, award was made to the Pennsylvania School Employees' Retirement Board, the second high bidder being a syndicate headed by Lehman Bros. of New York.

In December, 1942, the City of Rochester made an award to a group headed by Smith, Barney & Co., New York, with the next high bidder being a syndicate formed by the National City Bank of New York.

Klem And Gray Made Asst. V.-Ps. Of NYSE

Emil Schram, President of the New York Stock Exchange, announced on April 26 the appointment of Charles Klem and Edward C. Gray as Assistant Vice-Presidents.

The following is a summary of their careers with the Exchange:

"Mr. Klem entered the employ of the Exchange as a floor page in 1922. From 1928 to 1938 he was Assistant Director of the Department of Public Relations. Following the reorganization of the Exchange in 1938, he was appointed Assistant Secretary. In the early part of 1941, Mr. Schram detached him from his duties in the Secretary's Office to work as a member of the President's staff on financial and budgetary problems. He will continue these duties. Mr. Klem is also a director of each of the affiliated companies of the Exchange.

"Mr. Gray was first employed by the Exchange in 1918, after having been graduated from New York University. He was secretary to the former Committee on Business Conduct from 1935 to 1938, and Manager of the Division of Conduct and Finance of the Department of Member Firms from 1938 to 1940, when he was appointed Director of the Department of Member Firms. Mr. Gray will continue his duties in the Department of Member Firms. After completing 25 years of service with the Exchange in March of this year, he became a member of the Quarter-Century Club of the Stock Exchange."

Geo. S. Olive Advocates Post-War Planning, No Pressure Groups

George S. Olive, President of the American Institute of Accountants, on April 26, at Boston, at the closing session of the one-day wartime accounting conference, advocated post-war planning within the framework erected in the Atlantic Charter and its four freedoms. He added, however, that in his belief "the working out of the post-war program should not be left to governmental authority," said a special dispatch to the New York "Times" on April 26, from Boston, which added:

Mr. Olive, in discussing post-war planning, declared "we should see to it that comprehensive plans are provided which do not reflect the aims of any particular pressure group. We need to have the four rather unconnected freedoms joined together by one which has the power to motivate them and give them life—the fifth freedom—the freedom of enterprise."

Among the unfavorable war-end factors listed by Mr. Olive were: (a) Government agencies have financed so many war plants and so much equipment that they might be in the position of competing with private industry in continuing the use of these plants; (b) heavy taxes on business enterprises may discourage new investment and expansion of productive facilities; (c) since war industry will decline more rapidly than civilian industry will expand, there will be a period of great unemployment before the readjustment can be made.

Among the favorable factors he listed were: (a) The services of many research engineers and chemists are being devoted to study of new developments and their application to specific businesses for post-war use; (b) In metallurgy and in the chemical field, great strides are being made; synthetic rubber production will probably be the basis of a new industry; and (c) in the case of any individual business, a pent-up demand for the product made before the war, which will probably have been considerably changed and diversified through wartime experience.

U. S. Diplomatic Staff In Finland Withdrawn

Most of the American diplomatic staff in the Finnish capital of Helsinki has withdrawn from that country, on orders of the State Department, and been removed to Stockholm, Sweden, it was announced in Washington on April 23. The State Department offered no explanation of the move except to say that it was an "administrative" one.

The only member of the American staff still at Helsinki was Robert M. McClintock as Charge d'Affaires.

Relations between the United States and Finland have become tense in recent months and there are indications that a break in diplomatic ties may be near.

The American Minister to Finland, H. F. Arthur Schoenfeld, returned to this country last December for "consultations" and is still here, with no plans for his return to Helsinki. Last July the State Department closed the American consulates in Finland and ordered Finnish consulates in this country closed.

Finland is the only country fighting on the German side in which the United States has continued to maintain official representation.

Charles Riley Is Now With Allen & Company

Allen & Co., 30 Broad St., New York City, announce that Charles W. Riley is now associated with them. Mr. Riley was formerly manager of the over-the-counter department of the New York office of McKelvy & Co. of Pittsburgh. Prior thereto he was manager of the buying department of Fitzgerald & Co., Inc., and was in charge of the bank and insurance stocks department of J. G. White & Co.

F. D. Gillett With Goodbody & Company

Frank D. Gillett has become associated with the retail sales department of Goodbody & Co., 115 Broadway, New York City, members of the New York Stock Exchange and other leading national Exchanges. Mr. Gillett was previously an officer of G. S. Haring & Co., Inc.

Gibby Powell in Army

Gibby Powell, who has been a bond trader with White, Weld & Co., 40 Wall Street, New York City, for a number of years, is leaving on Friday, April 30, for induction into the U. S. Army.

The Future Of The Gold Standard

(Continued from first page)

fall short of an explanation of the part that should be played by gold in the generation of prices. He says, for example, "During the period of World War I, and the years immediately following, the gold standard everywhere broke down . . . ." Elsewhere, he says: "Gold was not as stable in value as an ideal standard should be."

This languauge seems to charge that gold, both as a unit of value and in a set-up for measuring values, went haywire during the period mentioned. This conclusion seems to me altogether unwarranted and unsupported. On the other hand, we know that shortly before the outbreak of World War I, the Federal Reserve "Act" had substituted currency that could be expanded without practical limitation, at the discretion of a central authority, in lieu of the gold coin or 100% gold backing that had theretofore been required before making additions to the currency supply.

Relative to such expansive currency, Governor Norris of the Philadelphia Federal Reserve Bank wrote me some ten years ago as follows:

". . . . the system has the power to restrict the excessive issue of currency through the provision that the Federal Reserve Board may disapprove the application of a Federal Reserve Bank for the issuance of Federal Reserve notes. **As a matter of fact, that power has never been used, because if member banks have a demand from their customers for currency and apply to us for it, we have practically no alternative but to give it to them.** . . . I think that the amount of Federal Reserve notes in circulation has always been responsive to the actual needs of the people. . . ." (Emphasis ours).

Governor Norris thought this currency had been discreetly issued. Even so, has Dr. Kemmerer any reason to think that such a limitless supply of currency is capable of doing the gold job? David Ricardo, in his maxim of 1816, states the requirement of money thus:

"If the State is to prosper, money must be anchored to a stable standard and the supply must be controlled by the automatic processes of trade and not by the dictates of a Government."

It is now apparent that the Board, failing to agree upon a rule of its own, rubber-stamped whatever borrower and lender bank could agree to and that in consequence the money supply in lieu of being controlled by the automatic processes of trade as Ricardo's maxim requires, or by a quasi judicial board as the Federal Reserve Act contemplated, is in fact made available without practical limit, at the option of anyone possessing the requisite credit with a member bank. In other words, we have currency which stretches as far and as often as borrowers and member banks are able to get together. Evidently this was the currency that broke down; not gold.

The money that came down to us from barter was the most stable and dependable merchandise available which possessed other characteristics required of a measure of value and medium of exchange. Gold now possesses these qualifications to a greater degree than any other material and will do the value measuring job for us as well as it was ever done for any people anywhere, which is all that we have any reason to expect of money. A yardstick is not expected to do measuring. If it serves as a standard of length for us to measure with we expect nothing more. It is the same way with money. When the King shouted: "My kingdom for a horse!" we understand that the King was in a jam and for the time being horses were up and kingdoms down with him. Likewise, when the world gets into a jam, there are sure to be fluctuations in even the most stable values.

When Dr. Kemmerer, therefore, questions the stability of gold, our reply should be: "Since gold has not been our standard of value since around 1914, how do we know it has been of unstable value during and since World War I? But even if it does fluctuate some, the world itself does not behave as an ideal world might be expected to do at times, but since it is the only world we have, we can do no better than learn to play the game with it as it is, pending any improvements we can effect.

Dr. Kemmerer finds many gold standards, but points out three principal types, as follows: The gold coin standard; the gold bullion standard, and the gold exchange standard. It looks like another case of the Trinity, but, seriously, gold is our unit of value or else it isn't; we measure in terms of gold, or we don't. If we do, whether the gold is coined, made into billets, or held in the form of foreign exchange, is of little consequence. These details are of small moment except to those who attend to them. They should confuse no one. Whether we measure wheat in terms of money or money in terms of wheat, if we do any measuring at all in, or with, either of these commodities, both markets must be free and unobstructed; otherwise we fool ourselves if we think we are measuring. Those who advocate various types of the gold standard are open to suspicion of not contemplating gold measurements at all; but some form of managed money substitute for gold.

Do some wonder just how dependable monetay measurements in terms of such a commodity as gold are? Here is a clue! Gresham's law to the effect that coin of different metals will not circulate side by side as measures of value is universally accepted and readily explained. Metals fluctuate in value so that coins of different metals are not likely to remain of the same relative value for long. Since the one coinage soon becomes worth more than the other, the one of least value drives the other out of circulation. People pay their debts with the cheapest money available and sell the better where it commands a premium.

The fact that one coin will drive another out of circulation, on account of its being more valuable, shows that it measures it, or they measure each other, and determine which is the most valuable. Experience shows that a minor fraction of 1% difference in value between two coinages is sufficient to drive the more valuable to the merchandise market. Thus, monetary measurements with a proper set-up are in line for dependability with commercial measurements of volume, weight, etc.

We have shown that money's most important job is to build a price and wage rate structure reflecting the supply and demand relationship. Only through such prices will production be adjusted to fit the demands of consumers. We have before us a "Conference Board" chart comparing wages for farm labor with wage rates for other labor. The chart shows that prior to 1914 other labor was something like 50% higher paid than farm labor. The figures varied during three-fourths of a century from, say, 40% to 75%. In general they seem to have been near or heading toward 50% at the outbreak of World War I. Twenty-six years later, in 1940, this ratio between farm and other labor, in lieu of 1 to 1½, was about 1 to 3. The "Act", replacing gold with managed money, was enacted in December, 1913. During the quarter century of this "Act" farm wages changed but little while other wages doubled.

A disparity of wage rates of this sort is a calamity of first magnitude, especially since farm workers, and those operating near their level, represent, roughly, half the workers, while the higher paid group represent the other half. The result of such disparity is that the lower paid have insufficient income to buy the product of the higher paid, so many of the latter are out of a job and on short rations, or dependent on the State, which leaves many of the lower paid also out of a job and in the same fix. Furthermore, an analysis of trends during recent years shows that, as things have been going, readjustments following the war are more likely to increase this disparity to or toward 1 to 4 than to bring the maladjustments back to or toward the 1 to 1½ ratio that was generated under gold measurement.

In conclusion, here is a paragraph from the current British proposal to form an International Clearing Union. Under the schedule of objectives in their brochure, we find the following:

"(C) We need a quantum of international currency, which is neither determined in an unpredictable and irrelevant manner as, for example, by the technical progress of the gold industry, nor subject to large variations depending on the gold reserve policies of individual countries; **but is governed by the actual current requirements of world commerce, and is also capable of deliberate expansion and contraction to offset deflationary and inflationary tendencies in effective world demand."** (Emphasis ours.)

After World War I, the rubber market was unsettled. Rubber had sold as high as $1.25 per pound during the war, so representatives of the British Treasury, Dutch growers, and other factors, met for the purpose of stabilizing the industry. They agreed upon (as I recall the figure) 80 cents per pound as a fixed price. However, that figure was soon shaded and after a short time reduced to around 50 cents at about which price it stayed for a number of years, until it got too hot to be held longer. They then pitched it up to the open market and rubber sank to 3 cents per pound before that episode had become historical. Now the heads of this aggregation of wisdom want to organize a central brain to run the world's economics. God forbid!

George Sokolsky, in a recent article commending consideration of the international standard, proposed by our Treasury, said this:

"The fact that the currency of international exchange would be linked to the American dollar is of value to us, **but infinitely of more value would be the restoration of the gold standard. Without it there can be no economic stability in this world."** (Emphasis ours.)

Yours very truly,
E. S. Pillsbury

H. B. LEAR

President, The University National Bank of Seattle

I thoroughly agree with its contents and conclusion of the Kemmerer article on gold. I am convinced we will never have a world recovery and revival of international trade without a stabilized international unit of exchange based on gold or a fixed proportion of gold and silver.

It is much to our interest that the gold standard should prevail, or a similar standard with a small amount of silver attached. We have most of the world's free gold. Undoubtedly some of the gold at Fort Knox was used by the Pharaohs in Egypt; some was brought back to Greece by Alexander, and some was looted from Central Asia by Genghis Kahn.

The instinct for gold is so deeply rooted in humanity that it is easier to change human nature than this habit. The Germans, who have been the chief advocate of strictly managed currency without a gold base have, without exception, eagerly acquired all the gold possible in each country they took over.

Also, there appears to be something tremendously wrong with all these managed economies. It begins to look as if the brains and character necessary for this task have never been assembled.

GEORGE H. WATSON

Scribe of The Great American Prospectors Association, Salt Lake City, Utah, and Mayor of Romantic, Alta.

Geo. H. Watson

I just finished reading Mr. Spahr's chatter on money and I just finished reading Mr. Kemmerer's on money. There is an awful lot of language in his talk. And I just finished reading Secretary Morgenthau's half backed unitas. And I just finished reading, excuse me, Lord Keynes' half-off bancor.

Why these fellows cannot think straight is beyond the comprehension of a Prospector. The more learning they have the more confused they seem to be. They don't seem to be able to think a thing through. Anyone with a grain of common sense must know that in order to have a "sound money' it must be based on gold and silver on a ratio of 14 ounces of silver to one ounce of gold, and my name for this unit is Auag. (Au is symbol for gold and ag is symbol for silver).

You could put this through with the "Financial Chronicle" if you dared.

EDWIN D. LEVINSON

Member New York Stock Exchange, New York City

Reading the comments on the views expressed by Dr. Kemmerer, in relation to "The Future of the Gold Standard," may I express the following:

In all things of life, we must have a standard. The important thing is to have the proper standard. It seems to me that the arguments between the gold-standard advocates and the managed-money advocates is somewhat akin to an argument between a group that believes that the earth should revolve around the sun and a group who believes that it would be better if the sun revolved around the earth.

I am still foolish enough to believe that it is better for the earth to revolve around the sun. I believe that the only monetary sun that has so far appeared in the world is gold. Therefore I believe that goods and commodities should revolve around gold rather than to attempt to make gold revolve around them.

CLYDE WILLIAM PHELPS

Head of the Department of Economics, University of Chattanooga, Chattanooga, Tenn.

I agree with the views expressed by Dr. Spahr in his program to salvage fiscal and monetary solvency, and with Dr. Kemmerer in his article on the gold standard.

For a decade now, competent monetary economists, such as these men, have been voices crying in the wilderness as far as the New Deal Administration is concerned. One wonders whether it is too much to hope that the Senate's action today (April 17) in voting unaimously to discontinue the President's power to further devalue the dollar may mark the first step in a return toward monetary and fiscal sanity.

ROGER W. BABSON

Babson Park, Mass.

Mr. Babson has just returned from the South and makes the following comments regarding the views expressed by Dr. Walter E. Spahr in a recent article in the "Chronicle":

Roger W. Babson

I certainly agree with Dr. Spahr. . . .

My own feeling on the general question is covered rather fully in Chapter Four of my book recently brought out by Harper & Brothers, titled "Looking Ahead Fifty Years." Incidentally, I would be glad to have a review of this book in your publication, to which I have been a subscriber for over 40 years. My own personal feeling is that we will return to the gold standard for international transactions with a central bank to be financed by the United States holding the preferred stock for the gold contributed and the common stock being divided among various nations in accordance with their normal foreign trade requirements.

This bank should be used only to clear and for 60-day loans—not for capital loans.

Railroad Securities

(Continued from page 1573)

completely rehabilitated as a heavy duty road, and there has been a large amount of industrial development in the Pacific Northwest. Power and irrigation projects of the Government have also added permanently to the economy of substantial parts of Great Northern's service area.

With the long term traffic and earnings background, and the "painless reorganization" through which the management has been putting the road by its debt retirement program, it is the opinion of most railroad men that the road may now be considered virtually depression proof. Moreover, it is considered important from the short term market standpoint that the company is relatively invulnerable to the two uncertainties that have faced the railroad industry. The road loses very little from suspension of the freight rate increases and the labor costs in relation to gross are among the lowest in the industry.

It is likely that the near term will witness an interruption of the year-to-year earnings gains as the Lakes were slow to open for traffic this year. Record iron ore shipments expected later in the year should offset this, however, and it seems safe to predict final results for the full year 1943 will fall little, if any, behind the 1942 record. Last year charges were earned over three times with a balance of $29,054,000 ($11.63 a share) available for the stock. The bonds are being recommended widely as affording outstandingly liberal yields in relation to quality and credit standing. The stock has been on a $2.00 annual dividend basis for some time and is viewed as offering attractive appreciation possibilities along with a liberal yield.

Tomorrow's Markets Walter Whyte Says——

Look out for influx of bad news to affect the market. Outright buying does not guarantee against sharp reaction. Keep profits in cash until clouds clear.

By WALTER WHYTE

When last week's column was written the President's speech, made the same night, was still an unknown quantity. From a market viewpoint, however, the speech proved unimportant, so prices were not affected.

* * *

The following day, Thursday, was just another day. Prices in some cases were up, in others down. But the sum total added up to nothing. Friday was a holiday and Saturday was given over to scattered rail strength while fractional declines appeared in the rest of the market.

* * *

As this is being written the state of the market remains about the same as it was when last week's warning to get out of stocks appeared here. News from the war fronts gave the market little ammunition, bullish or bearish. That Rommel's Nazis are being driven into the sea is hardly news. Though the occupation by our forces of another small island in the South Pacific must be considered news. But anybody who follows news as well as markets is well aware that the news of battles has so far had little effect on the market. Yet if the market does not go up on good war news it can't be said that it shows the same disinterest in bad news.

* * *

We have been in a period where most of the news from abroad, at least if it wasn't bad, was certainly not disturbing. I think this period is about over.

* * *

In Tunisia, where Rommel is jammed into a corner the fighting is bound to increase in intensity. With this step-up our casualties are bound to increase. So while we may be gratified at the progress our forces are making I can't see how an enlarged casualty list can go hand in hand with a rising market.

With warm weather here and stormy seas in the North abating, the U boat war is bound to increase our shipping losses. This also is just around the corner.

* * *

From the domestic arena we will shortly be deluged by tax news and "dope" stories. The Ruml plan will again be hauled over the coals, not to mention other more or less involved plans to raise taxes. Of course, all this cannot rightfully be considered news. We are all aware that these events are in the mill. But most of us prefer to think that everything will be ironed out satisfactorily. And, anyway, we will solve all these things when we come to them.

* * *

The market is more realistic. It is not concerned with yesterdays. Its concern is with tomorrows. Last week it began to show its concern by refusing to rally any better than it had.

* * *

It's comforting to say that after all one can't expect the market to resume an upward trend so soon after a sharp break. But that's exactly what the market should do if it has any get-up-and-go left in it. Every day the market spends sitting and dangling its toes means one day more that the market is closer to another break, not to another rally.

* * *

The argument that present-day markets can't crack because so many people buy stocks for cash, or close to cash, doesn't impress me. What I find more important is the comparative smallness of the short interest. Even granted that a short interest doesn't make for rising markets any initiate in market behaviorism knows that it is this short interest that makes for mobility, or market action. Without it markets, after declining, either stop a bit before declining again or simply fall asleep. Either condition makes for more sellers.

A holder of a stock becomes a seller for either of two reasons — declining prices and the fear of larger losses or an impatience with inactivity. Both of the above are more than just possibilities today.

* * *

I don't believe in buying stocks for holding — there's no money in holding them; only in selling them — and tying up cash in the hope that they'll come back is based on nothing more tangible than wishful thinking. I still believe the proper procedure is to get out of stocks until either the clouds clear enough to see at least a little ahead or to wait until the break, now on the horizon, hits.

Readers have held stocks recommended in this column for varying periods of time. In some stocks half profits were advised and taken when the objectives set for them were reached. In others, the stop levels were broken. Last week this column advised disposing of practically every stock recommended for purchase here. In every case a profit was present. Theoretically you should now have cash. Stay that way.

* * *

When new opportunities present themselves (and I recognize them) I'll advise you.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

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Investment Trusts

(Continued from page 1575)

In a recent issue of **Keynotes**, this sponsor shows with charts the property values per dollar of market value of underlying portfolio securities in each of the four Keystone Bond Funds—an unusual and interesting presentation.

Total assets of the 10 Keystone Funds as of April 1 were over $55,000,000.

* * *

In the first quarter of 1942 Union Bond Fund "C" rose 16.2% while the Dow-Jones Industrials declined 10.3%. In the first quarner of 1943, UBC was up 23.9% as against a gain of 14.3% for the averages. Says Lord, Abbett's **Union Dealer**: "This two-way increase comes about through the inherent values in speculative bonds—values which are the heritage of 10 years of disfavor and deflation—plus the careful selection of the most desirable of those values."

In the first quarter of 1943, Affiliated Fund was up 40.6% compared with a gain of 14.3% for the Dow-Jones Industrial Average. "Leverage — plus — supervision account for this performance," comments Lord, Abbett's **Abstracts.**

* * *

"Some probable effects of President's anti-inflation order" are discussed in a recent issue of National Securities & Research Corp.'s **Investment Timing.** The conclusions are in part as follows: "The new moves should result in damping down the wartime rise in living costs, but it is still not proven that they will actually stabilize prices and wages any more than previous pronouncements have."

* * *

Another issue of MIT's **Brevits** has been devoted to the sale of Government bonds—this time to aid the Second War Loan Drive. . . . In this connection, we have noticed recently the donation by other sponsors of their regular paid advertising space to the same purpose.

* * *

The current issue of the **Broad Street Letter** analyzes the earnings of the companies included in the Dow-Jones Industrial Average. All figures are reduced to a single "average" common share. Net earnings after taxes (and including post-war refunds) are reported as follows: 1937, $11.33; 1940, $11.01; 1941, $11.64; 1942, $9.28.

In a new folder on aircraft stocks, Hare's, Ltd., points out that representative issues in this group are currently selling at 2.76 times 1942 net earnings and only 2.04 times estimated 1943 net, whereas six years ago they sold at over 50 times their peace-time net earnings.

Dividends

Aviation Group Shares—A divident of $0.50 per share payable June 1, 1943, to stock of record April 30.

Bullock Fund, Ltd.—A dividend of $0.15 per share payable May 1, 1943, to holders of record April 15.

Dividend Shares, Inc.—A dividend of $0.014 per share payable May 1, 1943, to stockholders of record April 15.

New England Fund—A dividend of $0.15 per share payable May 1, 1943, to shareholders of record April 22.

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CANADIAN SECURITIES

By BRUCE WILLIAMS

With the launching of Canada's sixth war loan drive, there is much for thoughtful Americans to ponder and admire in the Canadian war record. The cost of living has been better controlled than in this country. Taxation has been more realistic and less political. And the tremendous task of financing an all-out war effort has up to this moment been accomplished on a far sounder basis.

As its contribution to the current drive for funds, the "Financial Post" of Canada has published a simple exposition of why citizens should subscribe to the new loan. It is entitled, "Hitler's Deputy in Canada is Inflation." The article reviews the record to date and points out the dangers that lie ahead. Here are a few significant excerpts from the material:

"Despite the fact that our economic effort in World War I was only a small fraction of what we are doing today, the cost of living after 3½ years of that war had advanced 41% against 16% this time. By the end of 1919 the cost of living had risen 73% above the prewar level and 98% by the middle of 1920.

"The inflation of those years was a handmaiden to profiteering, corruption and graft. It struck hard at morale on the home front. . . . Unrest touched peaks never approached before or since. In 1919 strikes cost Canada over 3,400,000 man-working days; last year strikes lost us 455,964 man-working days."

Canada's budget this fiscal year calls for the raising of $5,500,000,000 of which an estimated $2,752,000,000 will come from taxes. Regarding the balance to be raised by other means, the Post article has the following to say:

"There are a number of ways the Government could raise that balance of $2,748,000,000. The easiest way would be to print more money. That would give you additional dollars with which to buy a decreasing quantity of goods, bring swift and chaotic inflation.

"The Government could borrow from the banks. But that has about the same effect as printing more dollars.

"Forced saving might be employed. We have that to some extent already through refundable savings but the application of this principle is definitely limited. There is no general system that could be set up to take into account differences in individual positions.

"Taxes could be raised. To meet the whole war bill it would be necessary to double tax revenue. Excess profits taxes could not be increased as they are already at 100% and a further increase in income taxes would raise the very real possibility of damaging incentive to produce.

"This leaves, as the final way to make up the gap between our spending and our revenue, borrowing from the public."

The present loan is officially known as the Fourth Victory Loan, although it is Canada's sixth war loan. The details of these loans, as presented by the "Financial Post," are tabulated below.

(Three years ago January the Dominion offered its first public loan of the war. For $200 millions, it was oversubscribed by 178,363 Canadians. The issue and the one which followed it were handled in much the same fashion as a peacetime bond issue, investment dealers approaching their individual clients. Since then bond selling has been on a national basis, with a mass appeal designed to contact the widest possible range of individuals and incomes. Over two million subscribers lined up for the Third Victory Loan and three million are expected to buy in the current campaign. Details of the various issues follow:)

Issue	Dated	Interest Rate %	Maturity	Amount Offered	Amount Sold Cash	Amount Sold Conversion	Amount Sold Total	Number of Subscribers
First War Loan..	Feb 1 1940	3¼	Feb 1 1948-52	$200,000,000	$200,000,000	$50,000,000	$250,000,000	178,363
(20% of issue redeemable at par 1948-50; 20% redeemable at 100.5% of par 1951, and balance at 101% of par 1952.)								
Second War Loan..	Oct 1 1940	3	Oct 1 1952	300,000,000	300,000,000	24,945,700	324,945,700	150,890
(Redeemable at par on or after Oct. 1, 1949.)								
First Victory Loan	Jun 15 1941	(2 (3	Dec 15 '46) Jun 15 '51)	600,000,000	730,376,250	106,444,000	836,820,250	968,259
(3% bonds payable at maturity at 101% of par and redeemable at 101% on and after June 1, 1950. 2% bonds payable at maturity at par and not subject to prior redemption.)								
Second Victory Loan	Mar 1 1942	(1½ (2¼ (3	Sep 1 '44) Mar 1 '48) Mar 1 '54)	600,000,000	843,127,900	153,579,000	996,706,900	1,631,267
(3% bonds payable at maturity at 101% of par and redeemable at 101% on and after Mar. 1, 1952. 1½% and 2¼% issues payable at maturity at par and not subject to prior redemption.)								
Third Victory Loan	Nov 1 1942	(1¾ (3	May 1 '46) Nov 1 '56)	750,000,000	991,536,500	......	991,536,500	2,041,610
(3% bonds payable at maturity at 101% of par and redeemable at 101% on and after Nov. 1, 1953. 1¾% bonds payable at maturity at par and not subject to prior redemption.)								
Fourth Victory Loan	May 1 1943	(1¾ (3	Nov 1 '46) May 1 '57)	1,100,000,000	?	......	?	Objective 3,000,000

(To Mar. 31, 1943, sales of War Savings Certificates totalled $211,380,000. Sales of War Savings Stamps to Feb. 28, 1943 totalled $31,000,000—of which $25,000,000 has been used to buy Certificates, leaving $6,000,000 in stamps outstanding in the hands of the public.)

Court Rejects SEC Contentions In Mark Up Case

(Continued from page 1570)

and charge prices bearing some reasonable relationship to the prevailing market."

The findings of fact by the court follow:

"The court finds from the evidence that there is no established market price for the royalties in question;

"That at the time these sales were made to the plaintiff the court finds that there was no market value for the sales and purchases of these royalties to the general investing public;

"That the proof which has been offered regarding the market quotations among dealers, but these, in the court's opinion do not establish a market even among dealers;

"That there is no confidential relationship existing between the plaintiff and the defendant;

"That the plaintiff was under no obligation to disclose the price at which the securities were acquired;

"That the transactions in oil royalties are highly speculative, and the parties dealing in them are required to be advised of that fact;

"That a person dealing in such a highly speculative transaction must exercise care for his own safety and cannot go in blindly and buy and, subsequently, if dissatisfied, recover therefor;

"That is an entirely different situation, in the court's opinion, from transactions in securities which have a market value as established by the transactions of a recognized stock exchange or even from the transactions which take place in over-the-counter sales in other types of securities;

"That the court has no evidence before it from which is can determine whether or not the profit taken by the defendant was unconscionable or unreasonable."

The court also stated that it did not believe these findings were binding on the SEC if they desired to discipline any of the members under their control.

The importance of this decision, in our opinion, is that the court has again upheld the traditional principle of **personal property rights.** Also the fact that the court said **no confidential relationship existed,** thereby refusing to uphold the wholly untenable contention of the SEC that when one "holds himself out" as a dealer * in securities a fiduciary relationship is thereby automatically established. Another important point the court made in this case was that a **market for the royalties in question did not exist just because there were occasional bids and offers listed in the (national) quotation sheets.** This also happens to be a decision which differentiates between an oil royalty and a security—although the Securities and Exchange Act treats royalties as securities for the purposes found in the law.

The "Chronicle" wishes to make it clear that it does not condone the "rooking" of the public by dealers in securities or by merchants in any other line of business. But when attempts are made to establish the principle that the amount of profit that a citizen derives from the sale of **any property he legally transfers to another (whether large or small) should determine whether or not a fraud has been committed by the seller upon the buyer,** the "Chronicle" will fight any such efforts in its editorial columns while its presses are still able to run.

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* It must be remembered that there is a vast difference between a dealer and a broker in securities. A dealer buys a block of securities for his own account just as does the proprietor of a furniture, hardware or any other kind of a store or merchant. The profit a dealer in securities feels it is reasonable or desirable to exact is limited by the same factors as those governing a merchant in any other line of business.

A broker, on the other hand, acts as an agent of an investor and is, therefore, morally and ethically bound to obtain the best possible price for his customer for which he gets a commission. As is well known, many investment firms act as both dealers and brokers. That is to say, if an investor does not care, for any one of a variety of reasons, to buy the particular security an investment house has on its "shelf" and previously bought for its own account, a firm that does both a dealer and broker business will take an order for the particular security the customer does wish to buy or sell and will charge a commission for their services.

Stabilization Fund Bill With Restricting Amendment Is Approved By Congress

Congressional action on the legislation extending for two years the President's authority over the $2,000,000,000 currency Stabilization Fund was completed on April 22 when the Senate accepted an amendment inserted by the House on April 21. The House amendment prescribes that the stabilization may not be used for any other purposes except those specifically provided in the act itself. This restriction is designed to prevent use of any part of the Stabilization Fund in an international fund for post-war stabilization of world currencies. The legislation, which does not extend the President's power to devalue the dollar beyond June 30, now goes to Mr. Roosevelt for his signature. The measure originally passed the Senate on April 16 at which time the provision for extending the devaluation power was eliminated; this action was referred to in our issue of April 22, page 1497.

The restricting amendment, offered by Representative Reed of Illinois, ranking Republican member of the House Coinage, Weights and Measures Committee, provides:

"Such fund shall not be used in any manner whereby direct control and custody thereof passes from the President and the Secretary of the Treasury."

In urging approval of this amendment, Representative Reed told the House on April 21 that it would "preserve the integrity of the fund; it will insure its use for the purpose for which it was intended and will retain in Congress the ultimate consideration, so far as the United States is concerned, of the post-war problem of creating a sound stable monetary policy among the nations of the world."

Representative Reed also had the following to say regarding the restriction, according to the "Congressional Record":

The Treasury is now considering some of these (post-war) problems. Recently Secretary Morgenthau appeared before a joint meeting of three of the committees of the House and outlined a plan that he expects to propose to 34 nations now engaged in the war against the Axis. The plan calls for the establishment of some sort of an international bank to clear trade balances. To accomplish this end it is proposed that an international Stabilization Fund of possibly $5,000,000,000 be acquired to which each of the member nations shall contribute a share. The fund will be managed and controlled by a council or board composed of representatives of each of the contributor nations. The vote of each nation on such council or board will not be equal, but proportional to the amount such nation has contributed to the common fund. It has been estimated that the share this nation will be called upon to contribute—if the plan is adopted—will be approximately $2,000,000,000, the amount now standing in our own Stabiliaztion Fund. Under existing law these funds might be so diverted by the Secretary of the Treasury with the approval of the President. The Secretary has assured your Committee, however, that no such action would be taken by him without first obtaining the approval of Congress. From our past experiences with that official, we, of the Committee, have confidence that he means what he says. We feel, however, that as members of Congress the responsibility is ours. We realize the uncertainty of political tenure and, indeed, the uncertainty of life. When action of the character contemplated by the proposed plan is taken, some other person may be Secretary of the Treasury and his deeds will need only the approval of perhaps some other occupant of the White House. It would be ironic, indeed, perhaps sometime in the not-far-off future, for Congress to lock the door after the horse was gone. The plan of the Department of the Treasury may be all that is desirable. It is now only in its formulative stages. Its feasibility or advisability were not considered by your Committee. It was not our function so to do.

"The participation of our nation in such an enterprise should not be undertaken except upon the careful consideration and due deliberation of the people's representatives. If approved by the Congress, sufficient funds for the effective operation of the plan will undoubtedly be appropriated. Until then, the present Stabilization Fund should be kept intact. Its custody and its control under existing law is in the President and the Secretary of the Treasury. It should not be permitted to pass from their safekeeping or their directing influence and into the management of any foreign nation or group of nations except by Act of Congress."

There was no effort either in Committee or in the House to renew the President's power to further devalue the dollar from 59 to 50 cents of its gold content under the Gold Reserve Act of 1934. This power expires June 30.

Merits Of Capitalism Seen Demonstrated

(Continued from page 1571)

full share to that miracle of war production. Each of them has his particular stake in the survival, fortification and the improvement of the system which achieved the miracle."

Mr. Johnston, who has been a frequent critic of bureaucracy, said that capitalism's success in the war production effort has impressed even its detractors.

"It may be taken as a sign of the times," he said, "that many of those who seek to displace it with some variation of the super-State now feel it necessary to offer lip service to private initiative and the competitive principle. It is becoming fashionable to present totalitarian schemes for government domination of economic life neatly packaged in private enterprise slogans."

He said that persons who pictured capitalism as being played out were wittingly or unwittingly lending themselves to Axis propagandists.

"I say to those honest men who have been infected with the poisons of despair," he said, "'Stop fooling yourselves and us with the promises of a totalitarian economy which retains political liberty. The two things are simply incompatible. Ordinary decency demands that you drop this double-talk and offer your plans for your new order under frankly anti-democratic slogans'."

The pride which capitalism's war effort has instilled in its proponents, he said, should not blind them to the problems still ahead in the evolvement of a "new capitalism."

"We have mastered the art of mass production," he said. "It now remains for us to master the art of mass distribution, so that the products of our magnificent industrial machine may be ever more widely spread among all our people. This is no longer a pious wish. It is a concrete necessity."

He said that capitalism was not an absolute but a system in the process of evolution which had been going through the growing-pains stage in the disjointed 1930's.

"Only the willfully blind can fail to see that the old-style capitalism of a primitive freebooting period is gone forever," he said. "The capitalism of complete laissez faire, which thrived on low wages and maximum profits for minimum turn over, which rejected collective bargaining and fought against justified public regulation of the competitive process is a thing of the past. Those who would turn back the clock of history in this manner are as unrealistic in they way as the addle-brained paper planners of our economic salvation."

Mr. Johnston said that American economy could not in the future refuse to accept responsibility for the employment and well being of men and women taking part in it.

"The new capitalism, as I prefer to call it," he said, "is shedding the last traces of its nostalgic memory of unbridled individualism. It acknowledges that the severe economic and social dislocations accompanying war and depression during the last quarter of a century have caused government to assume responsibilities which necessarily tend to burden and hamper the capitalistic mechanism.

"Such new functions as are justified in the public interest will require an extra effort by private enterprise. It has a right to insist that so far as possible the Government limit itself to formulating the rules of the game and supervising their enforcement. More than that, it insists that the rules be so devised that they stimulate rather than suppress the immense motive power of individual initiative and ambition."

Management and labor, Mr. Johnston said, will have to grasp the understanding that neither can have freedom of action without accepting obligation entailed by the freedom.

World Economic Agency Urged By Dr. Seymour

Dr. Charles Seymour, President of Yale University, urged, on April 27, the establishment of an international economic organization after the war to maintain the non-political functions of the League of Nations, as the essential basis of the peace, said a special dispatch from Morristown, N. J., to the New York "Herald Tribune" on April 27, from which we also take the following:

Speaking before the Morristown Community School of Adult Education, Dr. Seymour said: "The maintenance of peace in the future depends upon a sense of international solidarity. Only by acquiring the habit of international co-operation through institutions directly devoted to human welfare can we hope to lay firm foundations for a peaceful world."

Discussing the economic organization, he suggested that such an agency, representing all the United Nations, "would co-ordinate activities in a wide variety of fields; international loans, currency stabilization, credit and exchange, trade and tariff, public health, control of and assistance to backward areas, labor problems, international co-operation of religious and scientific organizations."

Our Reporter's Report

(Continued from first page)

the part of various investment banking groups in preparing to bid for the issue. In fact, conjecture about the Street suggests the possibility of a single syndicate bid.

But sight should not be lost of the fact that the rank and file of the investment banking world has been directing its efforts almost wholly to the Treasury War Loan Drive in recent weeks.

Perhaps, now that the drive is within striking distance of its revised goal, bankers returning to their jobs will give more attention to the foregoing undertaking.

Reorganization Rails

After their momentary tailspin in the wake of the recent Interstate Commerce Commission ruling suspending the emergency increase in freight rates granted last spring, obligations of most of the so-called reorganization rails, have scored substantial recoveries.

As a group they are once more within easy striking distance of the highs reached in advance of the ICC's ruling. The dip presumably presented managements with a splendid and more or less unexpected opportunity to pick up blocks of such bonds for retirement.

St. Paul issues have been especially active with sizeable blocks changing hands. The movement here has been accompanied by discussion of possibility of improved treatment for various of the road's issues in its final plan. Some think the Supreme Court left the way open for such action by the Lower Court in its recent series of railroad rulings.

Delaware & Hudson Plan

First and refunding mortgage bonds of the Delaware & Hudson Company were unmoved by the announcement that the company had filed petition with the Federal court for approval of its adjustment plan.

Claiming the necessary two-thirds assents as required under the McLaughlin Act, the road obtained from the court a date for hearing before a special three-judge panel, and at the same time an order restraining any and all possible proceedings by non-assening holders during the pendency of the hearings.

But since the plan as set forth in the petition was about as had been expected, it appeared to have been discounted as a market factor for the time being.

Insurance Companies Active

Although they have taken their substantial share of the Treasury's newets war loan bonds, the insurance companies by and large, are finding time to sift through their portfolios with a view to making switches in holdings.

These sources are reported active momentarily in the railroad list. And their operations, it is contended, do not involve any sizeable outlay of new capital for investment.

Rather their immense statistical and investment portfolio staffs are constantly busy on research and investigation for the purpose of improving the quality of bonds held. Such operations naturally require the sale of certain bonds out of holdings and their replacement by more desirable liens.

Wallace Expresses Faith In Capitalistic System "With Many Modifications"; Foresees Lasting Peace

Concludes Tour of Latin America

The conviction that the world is destined to become united and peaceful was expressed by Vice-President Henry A. Wallace at Bogota, Colombia, on April 22, at which time he said that the fundamental policy of the democracies in building for a lasting peace in the world must be to foster individual liberty tempered to permit mass unity. At a press conference on the same day Mr. Wallace said he had faith in the capitalistic system, "but with many modifications," and added that he believed all systems will have to undergo changes. The Associated Press further reports:

Henry A. Wallace

Asked whether he included the Soviet system, he replied in the affirmative.

"There is no escape — no matter what system or what country is affected," he said.

The fundamental problem for the post-war period, the Vice-President said, is permanent economic as well as military peace. He said it was his opinion that military peace will have to be enforced through an international tribunal and an international armed force and that there will have to be "some kind of international council" to control world economy.

Mr. Wallace said the present great producing countries agriculturally and industrially should have nothing to fear from increased production in other countries as standards of living would increase, creating new demands. He said he hoped there eventually would be a "universal living standard," including the Asiatic peoples.

It was stated in the Associated Press accounts that coincident with Mr. Wallace's arrival at Bogota, the legislatures of the two States of Colombia adopted a resolution asking the Federal Government to declare war on the Axis. There was no indication, however, it was added, that the movement had reached the proportions of bringing any immediate action.

Vice-President Wallace returned to Washington on April 25 from his five and a half weeks' good will tour of seven South American countries, during which time he visited the republics of Panama, Costa Rica, Chile, Bolivia, Peru, Ecuador and Colombia, traveling by commercial airplane.

Arriving in Miami, Fla., on April 24, Mr. Wallace said, according to the Associated Press, that he found more discussion of post-war plans in the southern nations than in the United States. He reported that among the peoples of all the countries he visited there was evidence of unswerving faith in democracy.

The Vice-President's last stops on his homeward journey were visits to Medellin and Barranquilla in Colombia on April 23. The last important speech of his tour was made in the Colombian capital, Bogota, on April 21.

The following was reported in Associated Press Bogota advices of April 21:

His hour-long address to an audience including President Alfonso Lopez, Cabinet members and members of the diplomatic corps was delivered entirely in Spanish.

A necessary step toward lasting peace, Mr. Wallace said, is to guide all nations toward governments that will prevent an uncontrolled use of liberty but in which "the emphasis on unity will not lead to sacrifice of all for a dictator and his bureaucrats."

Absolute individual freedom, he maintained, can only give rise to a state of anarchy, inasmuch as this implies action and thought without limitation. The problem, he added, is to harmonize liberty and unity.

Before going to Colombia Mr. Wallace spent four days in Ecuador, occupying most his time with inspections of Indian villages and farming country. In an address at the University in Guayaquil, on April 19, Mr. Wallace declared that if, after the war, riches again fall into the hands of a few, the war will have been in vain and democracy will have failed. He added that victory must bring "peace, health and work for all."

In Associated Press Guayaquil advices, Mr. Wallace was reported as saying:

"The post-war world must be one wherein the man who through his contribution today merits security tomorrow and who shows that he can and wishes to work will not suffer from oppression, hunger, lack of shelter, and unemployment. With the inevitable democratic victory we are going to open the field for understanding and aid to all who merit it."

The Vice-President thus in effect defined the "man of the people," to whom he had referred in previous speeches, as the person entitled to benefits in the "world of tomorrow." He summed him up as a person who contributes to the war effort and who is an unhesitating worker.

Since youth has been called upon to contribute the greatest effort in the war, "to youth should fall the major compensation in tomorrow's peace," Mr. Wallace declared.

"If the liberation of the people for which the fight is going on today with the blood of youth and the sweat of workers results in imperialism and oppression tomorrow, this terrible war will have been in vain," he asserted. "If this sacrifice of blood and strength again brings a concentration of riches in the hands of a few—great fortunes for the privileged and misery and poverty for the people in general—then democracy will have failed and all this sacrifice will have been in vain."

This war, Mr. Wallace said, is one against social injustice and against illiteracy, "against everything which fails to respect human dignity and the rights of man."

Mr. Wallace toured Peru before going to Ecuador. At Lima, on April 12, he was welcomed by 200,000 people in what was described as the most spectacular demonstration ever accorded a foreign statesman.

His visits to the other countries was reported on in these columns April 8, page 1318.

A. G. Maxwell Dead

Allen Guy Maxwell, associated with the Forty-Second Street branch of the National City Bank of New York, died of a heart attack at a New York hospital. Mr. Maxwell formerly was associated with Blair & Company for fifteen years.

New Controls Needed To Assure Success Of Stabilization Program, Says Survey

The Government's struggle to restrain the advance in prices and the cost of living appears to have reached a critical stage, states the Guaranty Trust Company of New York in the April 27 issue of "The Guaranty Survey," its monthly review. In pointing out that the outcome of the current wage and farm price issues may go far toward determining the success or failure of this country's part in the joint effort by which the United Nations hope to avoid severe price disturbance during and after the war, the "Survey" says:

"The elaborate mechanisms set up to achieve this purpose have functioned rather well thus far, particularly in Great Britain and Canada, where authorities apparently are less hampered by the political pressures that menace our own program. In this country also the present controls, fortified by the executive order of April 8, directing control authorities to restrict further price and wage increases to 'the minimum extent required by law,' seem capable of achieving their objective if they can be protected against the attacks of those who fail to realize how vital stabilization is to success in the war effort and in the peace to follow."

The "Survey" cites as an "urgent need, especially in the United States," "a fiscal policy based on the recognition that direct price control is only one phase of an effective stabilization program." It goes on to say:

"Although Federal taxes have risen sharply, they are still at a level representing only a small part of Government expenditures. The result is that a large volume of excess purchasing power continues to seek outlets and to exert a steady and powerful upward pressure on prices. Until this situation is corrected by adequate tax legislation, the outlook for the success of direct price control will remain very uncertain."

Discussing the stabilization plans of Great Britain, Canada and the United States, the "Survey" has the following to say:

"Numerous significant points of similarity and contrast appear in the methods by which the three closely related economies of Britain, Canada and the United States have sought to maintain price stability in the midst of the disturbing influences of war time. Both the devices used and the degrees of success achieved have been determined partly by the particular types of economic stress that the war has imposed and partly by the broader features of the political and social backgrounds in the three countries.

"In general, the methods adopted seem to have met fairly well the requirements of these varying conditions, with the result that, while complete price stability has by no means been attained, the advance has been held within much narrower limits than it was during the last war, despite the greater economic strains that have undoubtedly prevailed in the present instance. In all three countries, however, it is recognized that the potential causes of price disturbance will increase rather than diminish in power as time goes on and that progressive reinforcement and adaptation of controls will be needed to avoid a repetition of the serious price disorders that accompanied and followed the first World War.

"The results achieved indicate that success depends not so much on the exact nature of the regulatory mechanisms as on the firmness and judgment with which they are administered and the ability of leading economic groups to understand and accept the sacrifices that are indispensable to stability in war time. If account is taken of the magnitude of the problems encountered, the more flexible and loosely organized system adopted in Great Britain seems to have functioned no less effectively, and to have quite as favorable an outlook for continuing success as the more rigid structures established in Canada and the United States. In all three countries the controls have been sufficient to hold the price advance within comparatively moderate limits and have accomplished this objective without seriously interrupting the flow of essential goods and services.

"That this encouraging record can be maintained throughout the war period, however, is by no means assured. The pressure of expansive forces typical of war time is constantly increasing and can be resisted only by corresponding increases in the counter-pressures exerted by control authorities. This is particularly evident in Canada, where experience has shown an apparent need for more forceful methods of control, and in the United States, where the entire program is threatened by the refusal of certain groups to accept stabilization at existing levels. In free societies, effective regulation under any conceivable system is possible only with public consent based on an appreciation of the nature and importance of the task."

Canadian Delegation Confers In Washington On Post-War Currency Plan

Not Committing Canada To Any Policy

In line with previously announced plans, a Canadian delegation arrived in Washington on April 21 to discuss with Treasury experts the tentative proposal of Secretary of the Treasury Morgenthau for post-war international currency stabilization. The plan was referred to in these columns April 8, pages 1300 and 1305. The Canadian group is headed by W. A. Mackintosh, Assistant to the Canadian Deputy Finance Minister, and includes, according to Washington advices April 22 to the New York "Times": L. Rasminsky, Assistant Chairman of the Canadian Foreign Exchange Control Board; John J. Deutsch of the External Affairs Department and A. F. W. Plumptre, Financial Attache of the Canadian legation in Washington.

Following their arrival in Washington, conferences have been held with Secretary Morgenthau and Harry D. White, an Assistant to Mr. Morgenthau. The Canadian delegation made it clear at a press conference on April 22 that they had no intention of committing Canada to any policy in the matter, said the dispatch on that day from Washington to the "Times," which also had the following to say:

"They said they had already discussed in London with British Treasury officials, 'with the same complete absence of commitments,' the alternative stabilization scheme devised by Lord Keynes. They let it be known that in the operation of any stabilization plan Canada's delegate would vote only in the interests of his own country and not as part of any solid British Empire group.

"Mr. Mackintosh said the Canadian Government, as such, had no views yet about stabilization, but that as one of the largest trading countries in the world Canada had a very large interest in the question.

"The nearest he would come to expressing an opinion about the relative merits of the American and British plans was to admit, in answer to a question, that the use of gold in the stabilization fund, as stressed particularly in the American proposal, would be a merit in the opinion of many countries.

" 'We are here as technical officials of the Canadian Government to explore the American plan,' said Mr. Mackintosh. 'Canada has a particular interest in proposals which have for their object the maintenance of conditions on which world trade can be carried on with a reasonable degree of assurance for the future. We were among the principal sufferers from the discriminatry arrangements which sprang up in Europe in the Thirties.

" 'What impresses us is that the two plans are not apart in their objectives. How they will work, whether in the interests of one country or another, is a matter for study.'

"He admitted that Canada might be a creditor nation on current account for a considerable period after the war. The primary consideration for Canada, however, he said, was that ther income depended on world trade widely spread out and not limited to any particular group, although Great Britain and the United States bulked largely in it. (Canada is the second best customer of the United States.)

" 'What Canada is interested in is in expanding a world trade in which she can share,' he said.

"Asked whether the Brtish Empire might vote solidly together in currency decisions under a stabilization plan, the Canadian delegate said that the Canadian Government was sovereign and would act in accord with its own interests."

Glen Huron Now With Hunter, Prugh, Ball Co.

(Special to The Financial Chronicle)

CINCINNATI, OHIO—Glen O. Huron has become associated with Hunter, Prugh, Ball & Davidson, Inc., Winters Bank Building, Dayton, Ohio. Mr. Huron was previously with S. H. Cunningham Co. and prior thereto was in charge of the local office of McDonald-Coolidge & Co.

Oscar Kraft In Los Angeles

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Oscar F. Kraft is engaging in a securities business under the firm name of Oscar F. Kraft & Co. from offices in the Pacific Mutual Building. From 1919 to 1941 Mr. Kraft conducted his own investment business in Denver, Colo. and recently was with Walter-Webb & Company in Denver in charge of the trading department.

Cohn With The Broy Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—Kaufman Cohn, member of the San Francisco Mining Exchange, has become associated with the Broy Company, 381 Bush Street, also members of the San Francisco Mining Exchange. Mr. Cohn for many years was active as an individual broker in San Francisco.

Associated Electric Bonds Situation of Interest

The bonds of the Associated Electric Co. offer interesting possibilities according to a study just issued by Peltason, Tenenbaum, Inc., Landreth Building, St. Louis, Mo., which brings the information on this situation up to date. Copies of the study may be had by dealers from Peltason, Tenenbaum upon request.

Calendar of New Security Flotations

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930(b).

Offerings will rarely be made before the day following.

THURSDAY, APRIL 29

GERALD FITZGERALD

Gerald Fitzgerald has filed a registration statement for $1,000,000 trust certificates under declaration of trust.

Address—433 South Spring St., Los Angeles, Cal.

Business—Plan contemplates a method of procuring loans for persons desiring to make loans on life insurance policies having an accumulated cash value, or loan value, at lower rates that can commonly be procured under the usual provisions found in standard life insurance policies; and, further procuring investors and purchasers of such loans.

Offering—Date not known.

Underwriting—None.

Registration Statement No. 5125. Form A-1. (4-10-43). Filed originally in San Francisco.

SATURDAY, MAY 1

CHICAGO, NORTH SHORE & MILWAUKEE RR. CO.

Committee for holders of equipment trust certificates of Chicago, North Shore & Milwaukee RR. has filed a registration statement for certificates of deposit.

Address—Of committee, 135 So. La Salle St., Chicago. Of corporation, 72 West Adams St., Chicago.

Business — Corporation owns and operates electric railroad connecting Evanston, Ill., with Milwaukee, Wis., with interconnection to Chicago and branch lines.

Offering—Date of proposed call for deposit, April 15, 1943. Type of issues to be called for deposit are the company's equipment trust certificates, series E, F and G.

Purpose—Committee intends to act for the protection of the holders of the equipment trust certificates in connection with the contemplated reorganization which will be consummated under the present Chapter 10 proceedings.

Registration Statement No. 2-5126. Form D-1. (4-12-43).

TUESDAY, MAY 11

KEYSTONE CUSTODIAN FUNDS, INC.

Keystone Custodian Funds, Inc., has filed a registration statement for 175,000 shares of Keystone Custodian Fund full certificates of participation, Series "K 1".

Address—50 Congress St., Boston, Mass.

Business—Investment trust.

Offering—At market within two weeks after effective date of registration statement.

Underwriting—Keystone Custodian Funds, Inc., is named sponsor.

Proceeds—For investment.

Registration Statement No. 2-5128. Form C-1 (4-22-43).

KEYSTONE CUSTODIAN FUNDS, INC.

Keystone Custodian Funds, Inc., has filed a registration statement for 25,000 shares of Keystone Custodian Fund full certificates of participation, Series "K 2".

Address—50 Congress St., Boston, Mass.

Business—Investment trust.

Offering—At market within two weeks after effective date of registration statement.

Underwriting—Keystone Custodian Funds, Inc., is named sponsor.

Proceeds—For investment.

Registration Statement No. 2-5129. Form C-1 (4-22-43).

KEYSTONE CUSTODIAN FUNDS, INC.

Keystone Custodian Funds, Inc., has filed a registration statement for 75,000 shares of Keystone Custodian Fund full certificates of participation, Series "S 3".

Address—50 Congress St., Boston, Mass.

Business—Investment trust.

Offering—At market within two weeks after effective date of registration statement.

Underwriting—Keystone Custodian Funds, Inc., is named sponsor.

Proceeds—For investment.

Registration Statement No. 2-5130. Form C-1 (4-22-43).

STANDARD STEEL SPRING CO.

Standard Steel Spring Co. has filed a registration statement for 218,962 shares of common stock, par value $1 per share, and subscription warrants evidencing subscription rights in respect of such shares of common stock.

Address—843 Fourth Ave., Coraopolis, Pennsylvania.

Business—In 1941, prior to the entry of this country into the war, the principal products of the company and its wholly-owned subsidiary, included steel automobile, truck and tractor leaf springs, automobile and truck bumpers, steel gratings and treads, universal joints and assemblies, propeller shafts, steel spring parts, etc. Company now processes and fabricates armor plate, produces bomb bodies and has recently undertaken on a small scale the plating of certain aircraft parts.

Underwriting—Kuhn, Loeb & Co. is named principal underwriter. Names of other underwriters will be supplied by amendment.

Offering—Holders of common stock of record 3 p. m. May 13, 1943, are to be offered rights to subscribe to the new common stock at the rate of one-fifth of a share for each share of common held, at a price to be supplied by amendment. Such rights will expire at 3 p. m. May 24, 1943. Unsubscribed stock will be purchased by the underwriters and offered to the public at a price to be named by amendment.

Proceeds—Net proceeds from the sale of the securities will be added to the working capital of the company. The company may determine at a later date to apply part of the net proceeds to the prepayment of all or part of a long term bank note due in instalments to Dec. 15, 1951. Unpaid balance as of April 15, 1943, was $845,000.

Registration Statement No. 2-5127. Form A-2 (4-22-43).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMERICAN CASUALTY CO. OF READING, PA.

American Casualty Co. of Reading, Pa., has filed a registration statement for 50,000 shares of capital stock, par value $5 per share.

Address—607 Washington St., Reading, Pennsylvania.

Business—Conducts general casualty insurance business.

Offering—The shares of common stock are being offered at $10 per share by the company to its stockholders of record April 15, 1943, in the ratio of one new share for each three shares held on record date. The right to subscribe on the part of the stockholders will expire May 15, 1943.

Underwriting—In the event that all of the stock is not subscribed for by stockholders, the company may endeavor to make an offering to the general public through underwriters.

Proceeds—Proceeds are to be used to increase the capital and surplus of the company to enable it to retain a larger portion of its standard limit business without resorting to reinsurance. Net proceeds will be used for the purchase of securities which are qualified as legal investment for insurance companies organized under the laws of the Commonwealth of Pennsylvania.

Registration Statement No. 2-5114. Form S-1 (3-26-43).

Registration effective 5:30 p. m. EWT on April 10, 1943.

AMERICAN VITRIFIED PRODUCTS CO.

American Vitrified Products Co. has filed a statement covering the registration of $857,500 first mortgage 5% sinking fund bonds of Universal-American Corporation, the continuing company in a proposed merger.

Address—1500 Union Commerce Building, Cleveland. Ohio.

Business—Manufacture and sale of sewer pipe, segment forms, flue lining, wall coping, hot top brick, drain tile, joint compound, chemical stoneware and other clay and cement products.

Underwriting—S. K. Cunningham & Co., Inc., Pittsburgh, has been retained by American to assist in the solicitation of securities in the proposed merger.

Offering—Plan proposes merger of Universal Sewer Pipe Corp. into American Vitrified Products Co., with the continuing company to be known as Universal-American Corp. Universal owns 70,000 common shares of American out of 177,029 common shares outstanding. In addition to the bonds registered, Universal-American will be authorized to issue 250,000 shares of the par value of $2 each. Proposed agreement of merger which has been approved by the boards of both companies provides for the following exchange of securities:

First mortgage bonds of Universal-American will be exchanged for preferred shares of American on the basis of $50 face amount of bonds for each preferred share of American. One share of Universal-American will be exchanged for each common share of American; and 1¾ shares of Universal-American for each class A and each class B share of Universal. Holders of first mortgage 6% sinking fund bonds of Universal will be asked to exchange their bonds for a like face amount of first mortgage 5% sinking fund bonds of Universal-American upon completion of the merger. None of the first mortgage bonds will be offered or sold for cash.

Purposes—For consolidation.

Registration Statement No. 2-5104. Form S-1 (3-2-43).

Registration statement withdrawn April 6, 1943.

BURTONITE CORPORATION

Burtonite Corporation has filed a registration statement for 10,000 shares of 7% preferred stock and 15,000 shares of common, no par.

Address—2500-22 Fisher Street, Fort Worth, Texas.

Business—Manufacture of face brick.

Offering—Present offering consists of 2,000 units, each unit consists of four shares preferred and one share common, price per unit is $10.

Underwriting—None. Distribution is to be made by direct sales by the corporation of its treasury stock.

Proceeds—Expansion of plant facilities, installation of additional equipment and for working capital.

Registration Statement No. 2-5105. Form S-2 (3-5-43).

CELOTEX CORPORATION

Celotex Corp. has filed a registration statement for 75,000 shares of common stock, no par value.

Address—120 South La Salle Street, Chicago, Ill.

Business—Company is engaged in the building material business.

Underwriting—There are no underwriters.

Offering—The 75,000 shares of common will be offered by the company at $10.50 per share only to a selected group consisting of employees of the company, including officers and directors and those serving in a professional or advisory capacity and a limited group of persons having long standing business relations with the company to be selected by the board of directors. Statement says that recently, while the company was carrying on negotiations to augment its working capital by the issuance and sale of common stock, a substantial group of key employees of the company including certain officers and directors, joined in the formation of a syndicate with a view to the purchase of a large block of outstanding common stock from a single source which had indicated a willingness to sell. When reasons arose whereby the proposed purchase could not be carried out, the group acting through the syndicate requested the company to afford the syndicate members, as well as other employees, the opportunity to purchase the stock of the company then proposed to issue, at a price to net the company the same amount as though such stock were marketed through then available investment banking channels. The board determined that the stock to be sold should be offered to the selected group at a price of $10.50 per share. The syndicate has formed a voting trust for the common stock of the company.

Proceeds—Entire proceeds from the sale will be received by the company and used for additional working capital and for other corporate purposes.

Registration Statement No. 2-5112. Form A-2 (3-24-43).

Amendment filed April 9, 1943, to defer effective date.

CELOTEX CORPORATION

Bror Dahlberg, O. S. Mansell and Andrew J. Dallstream, voting trustees, have filed a registration statement for voting trust certificates for 150,000 shares of common stock of Celotex Corp. common stock, no par value.

Offering—(See Celotex statement No. 2-5112.) The syndicate has formed the voting trust for the common stock of the company, and an opportunity will be afforded to the members of the syndicate (mentioned in statement No. 2-5112) and to all others who purchase such stock, to deposit their shares of common stock thereunder and receive voting trust certificates. Additional shares of common may be deposited upon application of the holder and with the consent of the voting trustees, but voting trust certificates are not to exceed 150,000 shares of common stock.

Purpose—To form voting trust.

Registration Statement No. 2-5113. Form F-1 (3-24-43).

Amendment filed April 9, 1943, to defer effective date.

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956 and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas) serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendment filed April 21, 1943, to defer effective date.

HOUSTON LIGHTING & POWER CO.

Houston Lighting & Power Co. has filed a statement with the SEC for 242,664 shares of common stock, without nominal or par value. The stock is already issued and outstanding.

Address—900 Fannin St., Houston, Tex.

Business—Operating public utility.

Offering—Price to the public to be supplied by amendment.

Underwriting—The shares to be offered are owned by National Power & Light Co Statement which was filed by Houston says that latter has been advised by National that no firm commitment to purchase the securities registered has been made.

Proceeds—Proceeds from sales will go to National Power & Light Co. The proposed sale is part of the program of National to liquidate in compliance with an order of the Securities and Exchange Commission. As part of this program National proposed to divest itself of its entire holdings of Houston common through the exchange of its holdings of Houston common for its own $6 preferred on basis of two shares of Houston common for one share of National preferred. The total amount of Houston common offered was 500,000 shares, of which 257,336 shares were accepted in exchange to Dec. 31, 1942, termination of the offer. The stock being registered represents the balance of National's holdings after the termination of the exchange offer.

Registration Statement No. 2-5117. Form A-2 (3-30-43).

Amendment filed April 16, 1943, to defer effective date.

Bids—National Power & Light Co. on April 28, 1943, asked for bids to be opened May 10, 1943, on 242,664 shares of common stock of Houston Lighting & Power Co.

INTERIM FINANCE CORP.

Interim Finance Corp. filed a registration statement with the SEC for 39,91 shares class A stock, $25 par; and 25,23 shares common stock, $1 par

Address—33 N. La Salle St., Chicago, Ill

Business—**Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial position of the borrower or a change in general capital markets open avenues for longer term borrowing from customary sources**

Underwriter—**H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit**

Offering—**The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 90 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock**

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

Registration Statement effective 11 a.m. (EWT) on Dec. 22, 1942, as of 5:30 p.m. (EWT) on Dec. 8, 1942.

INTERNATIONAL MINERALS & CHEMICAL CORP.

International Minerals & Chemical Corp. has filed a registration statement for 184,861 stock purchase warrants and 184,861 shares of common stock, par value $5 per share.

Address—20 North Wacker Drive, Chic.

Business—Engaged, directly or through subsidiaries, in the mining and sale of phosphate rock and preparation and sale of complete or mixed fertilizers.

Underwriters—Hornblower & Weeks and Hallgarten & Co. may be deemed to be underwriters as defined in the Securities Act of 1933.

Offering—A total of 150,000 stock purchase warrants are to be offered to the public at prices to be fixed by amendment. If the balance of 34,862 stock purchase warrants are offered the terms will be supplied by post-effective amendment. All of the present outstanding stock purchase warrants of the company were originally acquired by the First York Corp. Hornblower & Weeks and Hallgarten & Co. purchased 25,000 of the stock purchase warrants from First York Corp. and have the right to purchase additional warrants.

Proceeds—The company will not receive any of the proceeds of the stock purchase warrants being offered, but will receive $8.125 per share for each share of common stock, if any, sold through exercise of stock purchase warrants. Any proceeds received by the company will be added to the working capital.

Registration Statement No. 2-5124. Form S-1 (4-9-43).

MIDLAND COOPERATIVE WHOLESALE

Midland Cooperative Wholesale has filed a registration statement for $500,000 4% 15-year subordinated debenture notes.

Address—739 Johnson St., N. E., Minneapolis, Minn.

Business—Registrant is a cooperative association organized under the laws of Minnesota. It is a non-profit association. All of its common or voting stock is owned by cooperative associations doing business in the States of Minnesota, Wisconsin, Iowa, North and South Dakota. More than 85% of the common stockholders are associations of farmers.

Underwriting—None.

Offering—At face value. The notes will be dated as of the date of sale. Each note will mature on or before 15 years from its date. The notes will be issued in denominations of $25, $100, $500 and $1,000.

Proceeds—Will be used for part purchase of a refinery for the refining of gasoline, kerosene and other light oils, located at Cushing, Okla., together with pipelines, tanks, tank cars and inventories.

Registration Statement No. 2-5107. Form A-2. (3-17-43).

Amendment filed April 21, 1943, to defer effective date.

In an amendment filed April 5, 1943, company proposes to issue 5,000 shares of 3% non-cumulative preferred stock B, par $100, and reduces the amount of subordinated debentures to be issued to $250,000, the latter to be sold only to company's common stockholders at $100 per unit.

NORTHWEST PUBLICATIONS, INC.

Northwest Publications, Inc., has filed a registration statement with SEC for $382,500 5½% subordinated debentures, due Dec. 1, 1957.

Address—55-63 East Fourth St., St. Paul, Minn.

Business—Engaged in the publication of newspapers in the cities of St. Paul and Duluth, Minn.

Offering—Under the plan of recapitalization the corporation offers a 5½% debenture in the face amount of $100 for each share of its 3,825 outstanding shares of first preferred stock together with all rights to dividends accruing thereon after Dec. 1, 1942. Under the plan of recapitalization, the holders of first preferred may deposit their exchange agreements prior to March 15, 1943, or such later date as may be determined by the corporation, but not beyond May 15, 1943. The plan shall become effective automatically, when holders of 80% of face amount of first preferred deposit their exchange agreements, or by declaration by the corporation, at its option, upon receipt of exchange agreements covering less than such 80%.

Underwriting—The corporation has not entered into any agreement providing a firm commitment for the purchase of subordinated debentures. It has entered into an agreement with Kalman & Co., Inc., Wells-Dickey Co. and Harold E. Wood & Co. to act as dealer-managers. They are to use their best efforts for a period of 60 days following the effective date of the registration statement to effectuate exchange of the securities registered for the corporation's outstanding first preferred stock.

Proceeds—Plan of recapitalization.

Registration Statement No. 2-5080. Form A-2. (12-29-42)

Registration effective 5:30 p.m. (EWT) on Feb. 25, 1943, as of 5:30 p.m. (EWT) Jan. 17, 1943.

PACIFIC MUTUAL LIFE INSURANCE CO. OF CALIFORNIA

A. C. Balch, F. E. Rand and Leslie Waggener as the Pacific Mutual Shareholders Protective Committee have filed a registration statement with the SEC for voting trust certificates for 508,200 shares of common stock, par $1 per share, of Pacific Mutual Life Insurance Co. of California.

Address — Of issuer, 626 South Spring St., Los Angeles, Cal. Executive office, 523 West Sixth St., Los Angeles, Cal.

Business—Life insurance.

Purpose—The agreement places no limitation upon the powers of the committee to vote the shares held by it. However, one of the main objectives of the committee is to vote the securities held by them in connection with the said so-called plan and agreement of rehabilitation and reinsurance and mutualization affecting the Pacific Mutual Life Insurance Co. of California.

Registration Statement No. 2-5098. Form F-1. (2-19-43).

Amendment filed April 17, 1943, to defer effective date.

PINEHURST, INC.

Pinehurst, Inc., has filed a registration statement with the SEC for $250,000 first mortgage 5% bonds, due May 1, 1953.

Address—Pinehurst, N. C.

Business—Operation of a winter resort.

Offering—Pinehurst, Inc., is offering to the holders of its 6% first mortgage gold bonds due May 1, 1943, the opportunity to exchange their bonds, plus accrued interest, for first mortgage 5% bonds now registered. Exchange basis is for a like principal amount of the bonds to be offered, with adjustment in cash for accrued interest. The plan will become operative when and if, prior to May 1, 1943, holders of substantially all of the bonds of the company due May 1, 1943, shall have filed agreements, but the company reserves the right in its discretion to declare the plan operative prior to May 1, 1943, upon receipt of agreements which it may deem acceptable to it. Company reserves the right to offer for sale for cash at not less than 100% of face amount, plus accrued interest, such portion of the bonds to be offered under registration statement as may not be accepted by the holders of the old bonds. At May 31, 1942, there were $236,000 of old bonds outstanding.

Underwriting—Company has not entered into any agreement providing a first commitment for the purchase of the first mortgage 5% bonds. It will, however, enter into an agreement with Mackubin, Legg & Co., Baltimore, who may be underwriters whereby the underwriters who have aided in preparing the exchange offer and plan will use their best efforts in obtaining agreements of exchange, including the obtaining of services of other dealers, for which they will be compensated.

Proceeds—To redeem old 6% first mortgage bonds and for general funds.

Registration Statement No. 2-5079. Form A-2. (12-29-42)

Registration effective 12 noon EWT on April 3, 1943, as of 5:30 p. m. EWT on Jan. 17, 1943.

PUBLIC SERVICE CO. OF INDIANA, INC.

Public Service Co. of Indiana, Inc., has filed a registration statement for $38,000,000 first mortgage bonds, series E, 3¼%, due May 1, 1973.

Address—110 North Illinois Street, Indianapolis, Ind.

Business—Public utility operating in the State of Indiana and is engaged principally in the production, generation, manufacture, purchase, transmission, supply, distribution and sale of electric energy and gas, and in the supply, distribution and sale of water.

Offering—Bonds to be offered for sale at competitive bidding under Rule U-50 of the Commission. Price to the public will be supplied by post-effective amendment.

Underwriters—Names of underwriters and amounts of underwriting will be supplied by post-effective amendment.

Proceeds—To be applied toward the redemption, within 40 days after the issuance and sale of series E bonds, of $38,000,000 face amount of Public Service Co. of Indiana, first mortgage bonds, series A, 4%, due Sept. 1, 1969, at 106¼% of the face amount which will require $40,375,000, exclusive of accrued interest and expenses. Any additional moneys will be paid out of other funds in the company's treasury.

Registration Statement No. 2-5123. Form A-2 (4-7-43).

SPROUSE-REITZ CO., INC.

Sprouse-Reitz Co., Inc., has filed a registration statement for 3,000 shares of non-voting common stock, par value $100 per share.

Address—1900 N. W. 22nd Avenue, Portland, Ore.

Business—Operates a chain of 179 retail stores in nine western states, selling a wide variety of merchandise for cash and at unit prices ranging principally from five cents to $1.

Offering—The shares are to be offered at $100 per share first to present holders of all classes of stock ratably in accordance with their present holdings of stock. It is not expected that the entire issue will be subscribed by present stockholders, and any stock not so subscribed is to be offered at the same price, $100 per share, to the public, including particularly employees, associates and customers.

Underwriting—No underwriters are to be employed in connection with the sale.

Proceeds—To provide working capital to carry additional inventories for wholesale and retail stores.

Registration Statement No. 2-5120. Form A-2 (3-31-43).

Registration effective 5:30 p. m. EWT on April 19, 1943.

STOVALL PROPERTIES, INC.

Committee for Holders of Class B first mortgage 5% gold bonds of Stovall Properties, Inc., has filed a registration statement with the Securities and Exchange Commission for certificates of deposit for $956,500 of such first mortgage real estate bonds.

Address—Place of business of original issuer, Tampa, Fla. Address of committee, 711 Maritime Building, New Orleans, La.

Business—Operation of office buildings, and rental of store properties owned by it.

Purpose—In addition to the $956,500 Class B 5% mortgage bonds there are outstanding $8,125 Class A 6% first mortgage gold bonds. Both classes of bonds were dated Sept. 1, 1931, with maturity date Sept. 1, 1941.

Both classes of bonds bear interest at the rate of 8% after maturity. According to the registration statement the deposit of securities is desired in order to foreclose the mortgaged and/or pledged property, and, if need be, to bid in the property at the foreclosure sale for the benefit of the bondholders.

So far as is known to the committee, no steps have been taken by anyone to prepare a plan of readjustment or reorganization. Securities are to be called for prior to the proposal of a plan because from all information available, there is little possibility of any feasible plan of reorganization. The committee is of the opinion that the only feasible mode of procedure is to foreclose the mortgage, obtain title to the property either in the committee or in a corporate or personal nominee of the committee to operate the property for the benefit of the depositing bond holders and to seek a purchaser for the same. The members of the committee have found that prospective purchasers for the mortgaged property are unwilling to negotiate until title has been obtained through foreclosure. The deposit agreement is dated Nov. 25, 1942. The committee has not as yet fixed any limit to the period within which the bonds will be accepted.

Registration Statement No. 2-5083. Form D-1. (1-18-43).
fer effective date.

Amendment filed April 13, 1943, to defer effective date.

SYLVANIA ELECTRIC PRODUCTS, INC.

Sylvania Electric Products, Inc., has filed a registration statement for 175,000 shares of common stock, without par value, subject to reduction depending on offering price and other factors.

Address—500 Fifth Ave., New York City.

Business—Prior to the development of its present wartime production manufactured and sold to the public electric incandescent lamps, radio tubes, fluorescent lamps and fixtures and other electronic products. At the end of 1942 about 85% of its products were going directly or indirectly into the war effort.

Offering—Price to the public will be supplied by amendment.

Underwriting—Paine, Webber, Jackson & Curtis; White, Weld & Co.; Lee Higginson Corp.; Estabrook & Co.; Merrill Lynch, Pierce, Fenner & Beane; Putnam & Co.; Graham, Parsons & Co.; Whiting, Weeks & Stubbs, Inc.; Brush, Slocumb & Co.; Yarnall & Co.; Minsch, Monell & Co.; Mackubin, Legg & Co.; Stein Bros. & Boyce; Herbert W. Schaefer & Co.; Van Alstyne & Co., and Wyeth & Co.

Proceeds—Upon issuance of the common stock company plans to call for redemption on 30 days' notice all of the outstanding 4½% cumulative convertible preferred stock, at the redemption price of $46 per share, plus accrued dividends. At the close of business March 23, 1943, there were outstanding 80,032 shares of preferred subject to redemption. The preferred is convertible at the option of the holders into common stock at any time up to the close of business on the third business day prior to the redemption date. Until the expiration of conversion rights the company states it is impossible to tell how much preferred will remain unconverted to receive the redemption price. Any balance of net proceeds not required for the redemption, so far as deemed advisable by the management, will be added to working capital with the expectation that it will be used upon and after termination of the war to meet conversion to a peacetime basis. Any proceeds not required for redemption and not added to working capital will be applied toward the purchase or redemption of a part of the company's outstanding 3¼% sinking fund debentures due June 1, 1957.

Registration Statement No. 2-5122. Form S-1 (4-6-43).

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.3 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

Amendment filed March 25, 1943, to defer effective date

UNITED GAS CORPORATION

United Gas Corp. registered $75,000,000 first mortgage and collateral trust 3¼% bonds due 1958

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of Electric Bond and Share System

Underwriters—None

Offering Terms—Bonds will be sold to institutional investors, whose names will be supplied by amendment, at 99.34%

Proceeds—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of $9,502,490 on companys $7 preferred stock

Registration Statement No. 2-4760, Form A-2 (5-15-41)

United Gas Corp. filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be either sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the best possible price."

Amendment filed April 22, 1943, to defer effective date.

YORK CORRUGATING CO.

York Corrugating Co. has filed a statement with the SEC for 50,000 shares of common stock, $1 par value. The stock is presently issued and outstanding and does not represent new financing.

Address—Adams Street and Western Maryland Railroad, York, Pa.

Business—Normal manufacturing facilities are primarily designed for pressed drawn and stamped metal products. About 95% of the company's manufacturing facilities are now devoted to war production.

Underwriting—Floyd D. Cerf Co., Chicago, is named principal underwriter.

Offering—Offering price to the public is $6.50 per share. Selling stockholders are Western National Bank of York, Pa., as trustee under the Benjamin S. Taylor Trust 28,013 shares, and Dr. Charles P Rice, York, Pa., 30,750 shares.

Proceeds—To selling stockholders.

Registration Statement No. 2-5118. Form S-2 (3-30-43).

United Nations' Food Talks Will Not Be Binding—To Cover Wide Range Of Subjects

The international food conference, scheduled to open May 18 at Hot Springs, Va., will deal with post-war food problems, relating to production, distribution and consumption.

The conference, to which 43 nations have been invited, will be for the purpose of exchanging views and information and for exploring and seeking agreement in principle as to the most desirable and practicable means and methods of dealing with the various problems. It is said that any agreements reached will not be binding on the countries since ratification by their legislative bodies will be necessary.

The State Department made public on April 27 the agenda for the conference and officials stressed that the meeting will be strictly a preliminary and exploratory one, with recommendations being drafted but no decisions.

The State Department's announcement follows:

"This agenda is organized around the following conception of the problem with which the conference should deal:

"The agenda begins with an effort to ascertain the facts as to what are the needs of the various peoples of the world for food and other essential agricultural products, with due regard to differing conditions among countries.

"It recognizes that in the past excessive accumulations of certain agricultural products were in fact not surpluses at all when measured by the world's minimum needs of food and clothing; that these so-called surpluses were usually the result of maldistribution and underconsumption. It then seeks to ascertain the prospects for so organizing world agricultural production as to enable the satisfaction of these needs and to explore the measures, both domestic and international, by which production can be enhanced and better directed in terms of consumption. Finally it examines the measures and conditions which are necessary to assure that what can be produced moves into consumption.

"I. Consumption levels and requirements:

"A. Food.

"1. Character and extent of consumption deficiences in each country.

"2. Causes and consequences of malnutrition.

"3. Measures for improving standards of consumption (education, etc.).

"4. Reasonable national and international goals for improved food consumption.

"B. Other essential agricultural products:

"1. Pre-war consumption levels in various countries as influenced by prosperity or depression and by buying power of the population.

"2. Reasonable national and international goals for improved consumption with sustained employment and expanded industrial activity.

"II. Expansion of production and adaptation to consumption needs:

"A. Measures for direction of production toward commodities the supply of which should be increased.

"B. Measures for shifting production out of commodities in chronic surplus.

"C. Measures for improving agricultural productivity and efficiency.

"D. Measures for development and conservation of agricultural resources.

"E. Opportunities for occupational adjustments in agricultural populations.

"III. Facilitation and improvement of distribution:

"A. Relation of national and international economic policies to agricultural problems, with special reference to the facilitation of the movement of agricultural products in commerce:

"1. Expansion of international trade.

"2. Broad policies for assuring increased production and consumption in general.

"B. Improvement of agricultural marketing, processing and distribution.

"C. Special measures for wider food distribution:

"1. Improvement of consumption of low-income groups.

"2. International disposition of commodities in over supply.

"D. Buffer stocks and commodity arrangements to assure equitable prices and adequate supplies.

"IV. Recommendations for continuing and carrying forward the work of the conference."

Although coverage of the conference by the press will be restricted, it is understood that a program is being worked out which, while not permitting representatives of the press to attend executive sessions, would enable them to obtain information as to other proceedings through designated channels.

President Roosevelt remarked at a recent press conference that he hoped newspapermen would not cover the parley, explaining that they might slow down the efficiency. This aroused a storm of protest from Congressional members and newspaper editors and reporters. The original plans called for coverage of only the opening and closing sessions.

The Standing Committee of Correspondents, which claims to represent 560 American and foreign newspaper men accredited by Congress to cover that body, protested formally to President Roosevelt on April 14 that "arrangements excluding the press from all contact with the delegates and deliberations of the forthcoming food conference—except at two perfunctory formal sessions—as denial of legitimate news to the American public and hence an abridgment of the freedom of the press."

The American Society of Newspaper Editors, through its President, Roy A. Roberts, issued a statement on April 18 declaring that without adequate information, sound public opinion cannot be formed." The President's policy should be abandoned, the statement said, because "it promotes distrust of the Government and denies the right of every American citizen to know what his Government is doing and to form an opinion about it. Only as the public is informed can democracy survive."

Judge Marvin Jones, head of the U. S. delegation to the food conference, in a statement on April 20 expressed the belief that the President was not serious when he asked that the food conference be kept secret. He added that Mr. Roosevelt had never expressed to him any views as to the publicity of the conference.

Plans for the conference were noted in these columns April 22, page 1504.

Russia Suspends Relations With Polish Regime

Russia has suspended and not broken relations with Poland and has left it up to the Poles whether there shall be a resumption of normal diplomatic intercourse or a full break it was made known in Moscow on April 27, according to the United Press, which in Moscow advices, further stated:

The effect of the wording of the Russian "suspension" note to Poland was to throw responsibility for the future trend of relations on the Polish Government in London.

Although the distinction drawn between severance of relations and suspension might seem slight, it indicated that the way was open for those Poles inclined to take what Russia calls a realistic view to seek a reconciliation.

Previous reports from Moscow (April 26) indicated that it had been announced officially in Moscow that the Soviet Union had broken off diplomatic relations with the Polish Government-in-exile, accusing it of cooperating with Germany in charging that Russia was responsible for the deaths of 10,000 Polish officers. Regarding this, the Associated Press accounts from Moscow (April 26) further said in part:

Tass, the Russian officials news agency, said Foreign Commissar Vyacheslav Molotov handed the Polish Ambassador, Tadeusz Romer, a note here yesterday, denouncing the Polish Government and charging it with helping the Germans carry out a "hostile campaign" against Russia in connection with Germany's accusation that the Russians murdered the Polish officers near Smolensk.

Molotov's note, which said the recent behavior of the Polish Government violated "all regulations and standards of relations between two Allied States," charged flatly that the Germans had killed the Polish officers.

A territorial question also was involved. The note charged that the Poles, by falling in line with Nazi propaganda, hoped to gain some territorial concessions at the expense of Russia.

"The Polish Government, to please Hitler's tyranny, deals a treacherous blow to the Soviet Union," the Russian note said. "The Soviet Government is aware that this hostile campaign against the Soviet Union was undertaken by the Polish Government in order to exert pressure for the purpose of wresting from it territorial concessions at the expense of the interests of the Soviet Ukraine, Soviet Byelo-Russia and Soviet Lithuania.

"All these circumstances compel the Soviet Government to recognize that the Government of Poland, having slid to the path of accord with Hitler's Government, actually has discontinued Allied relations with the U. S. S. R. and adopted a hostile attitude toward the Soviet Union. On the strength of all above, the Soviet Government has decided to sever relations with the Polish Government."

Borg Disciplined

John A. Borg, member of the New York Curb Exchange, specialist in common stock of the George A. Fuller Company, was fined $200 for failure to maintain an orderly market in the issue.

The committee on stock transactions reported that Mr. Borg made the market 12 bid (his own bid), 14 asked following a sale of 100 shares at 13¾. Mr. Borg's quotation was posted for eleven minutes and a floor broker received a market order to sell 200 shares which Mr. Borg bought for his own account at 12. The Committee gave the opinion that Mr. Borg should not have taken the stock until he had made an effort to get a better price. He failed to offer the stock on the tape and failed to maintain an orderly market following the transaction in question, the Committee also declared.

Sentenced In Stock Fraud

Three former officers of American Beverage Corporation — H. Vaughan Clarke and Mark Godfrey, Philadelphia securities dealers, and Irving Feinberg—were sentenced to prison terms and fined $1,000 each on charges of having defrauded the company of at least $200,000 in sale to stockholders of securities in Prendergast-Davies Co., Ltd. and C. H. Graves & Sons Co., the former of which was in a precarious financial condition and the latter insolvent.

Mr. Feinberg received a sentence of eighteen months; Clarke and Godfrey were sentenced to ninety days each, in addition to the fines.

To Attend STANY Fete

Out-of-towners who have arrived in New York City to attend the dinner of the Security Traders Association of New York annual dinner at the Hotel Roosevelt on April 30 are:

Bob Strauss of Strauss Bros. Chicago office.

Jim White, Murdoch, Dearth & White, St. Louis, Mo.

Neil De Young and Herman Tornga, De Young, Larson & Tornga, Grand Rapids, Mich.

Walter J. Connolly, Walter J. Connolly & Co., Boston, Mass.

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Our Reporter On "Governments"

By S. F. PORTER

And still the search is for adjectives to describe this market adequately, to indicate just how strong and powerful the advance is. . . . And still the dealers and professional traders around New York wonder what's going to change this trend—if anything. . . . And still Treasury representatives in Washington walk around with smiles on their faces, talk in superlatives about the success of the drive, forecast a prolonged breathing spell for the Government market after May 1. . . . We're witnessing the most spectacular financing in history now. . . . We're seeing a Government borrow $17,000,000,000 in three weeks without a speck of trouble. . . . We're watching a market soar at the same time. . . . And if you don't think this is an an extraordinary situation, take off a minute and consider what might have happened if the drive hadn't turned out this way. . . .

No point in listing the prices, going over the same ground again. . . . You have the figures on subscriptions and know that forecasts for the total range up to $4,000,000,000 excess. . . . Now here are some points you may not have thought of. . . .

(1) What this response means is that we probably won't have another drive until the Fall. . . . Maybe September, maybe October, but definitely not August. . . .

(2) That means the market is going to be left alone, except for refundings and discount bill offerings for months, and potential buyers are going to be forced into the open market for securities. . . .

(3) The banks may be eliminated altogether from the next deal. . . . If possible, the Treasury will manage this. . . .

(4) Long-term bonds will be aided considerably by this situation. . . . Particularly long-term bonds which banks may buy. . . .

(5) Tax-exempts will be helped even more as investors realize the next campaign is months away and as they start getting news on the new tax bill. . . .

There's nothing in the outlook today that looks "bad!" Possibly news from abroad or tax developments or domestic political changes may hurt the list over the coming months, but as dealers see the picture now, it's so bright it's hard to believe. . . .

What's more, this opinion is virtually unanimous. . . .

THE LONG 2½s

At this writing, the long-term 2½s—due 9/15/72/67—are selling at 100⅝. . . . Market is 1/32 spread, indicating tight situation on both buying and selling side. . . . Good demand for bonds coming in from all over the country with supply limited. . . .

Just study the position of these 2½s. . . . And consider whether you—an individual investor or a manager of an institutional portfolio—may be interested in picking up some. . . .

Here are the angles:

(1) The 2½s are selling at close to par, yield 2.46% to call, 2.47% to maturity. . . .

(2) This is the only long-term 2½% issue commercial banks can buy. . . .

(3) The demand for these may come not only from nonbanking investors—insurance companies, individuals, savings banks, etc.—but also from commercial banks with funds to invest over the coming months and with no certainty of another new issue. . . .

(4) The strength in the market and the assurance that interest rates will be held right where they are well may encourage ordinarily conservative investors to reach out for longer-term and longest-term securities. . . .

(5) If the Treasury decides to cut the interest coupon on its bonds at the time of the next deal (a possibility dealers are mentioning) a long-term 2½ may get additional impetus. . . .

As experts look at the situation now, these 2½s are a bargain worth attention. . . . If you can afford going out to the 1972/67 maturity range, consider them. . . .

NEW ISSUE?

The point that a new issue may not come along until Fall has not yet been made with any emphasis. . . . It's important. . . . It's perhaps of most significance to the trend of the market between now and late Summer. . . .

The Treasury is going to have enough cash from this deal and the June tax payments to carry it through comfortably until September or October. . . . There is no reason why Secretary Morgenthau should rush back to the market until he has to. . . . If he stays away he'll let prices rise and he'll be able to finance more cheaply or on a longer-term basis. . . . If he permits the rumor to circulate that the market is in for a long breathing spell, he'll actually put up prices after this drive ends. . . .

When you're completing your April purchases, therefore, think in terms of no more borrowings for four to six months. . . . And then look at the long-term taxable 2½s and tax exempts. . . .

INSIDE THE MARKET

One dealer is so optimistic that he believes the next deal will see a major cut in coupon rates on longer-terms. . . . Maybe no more 2½s and 2s, says he. . . . In this setup, the Treasury can write its own ticket and "Why should it give money away now?" . . .

Another trader believes any of the long-terms can be "bought with your eyes closed." . . . The bullishness really is terrific. . . . It almost scares you because never has there been a time when everybody has been right. . . . And everybody is thinking in the same terms these days. . . .

Buying has been obvious throughout the list, particularly in tax-exempts, of course. . . . Also it has been nationwide. . . .

Municipal bond prices firm, too. . . . Question of Treasury's right to tax income from obligations of State instrumentalities up before State Tax Court Judge Clarence V. Opper now. . . . Development naturally is of first importance to the municipal market, but the matter won't be settled for so long that any worry about it at this time seems definitely premature. . . .

For instance, no matter what Judge Opper decides, the losing side is expected to appeal the decision to the United States Circuit Court of Appeals. . . . That means no decision from the higher court until Fall at least. . . .

Then, no matter what the Circuit Court decides, the losing side is expected to appeal the decision to the United States Supreme Court. . . . That means no decision from the highest court until the Fall of 1944, at least. . . .

This is April, 1943. . . . Worrying about an issue that cannot possibly be settled for a year and a half seems futile. . . .

Insurance companies aren't selling their tax-exempts now. . . . Holding off on liquidation until market is cleared up (floating supply of municipal tax-exempts said to be around $58,000,000 last week, may be lower, but not much lower, now). . . . And all activity is suspended until the second week of May when war bond drive will be just a memory and market will be ready for next business. . . .

Canada's Fourth Victory Loan drive is on this week. . . . Minimum objective for this is $1,100,000,000, indicating a per capita borrowing rate of about the same as the United States set when it placed the goal at $13,000,000,000. . . . Excess over the billion-mark anticipated in Canada, too, according to experts. . . . One difference, though, is that Canada is paying 3% on bonds due in 1957 while the U. S. is paying 2½% on bonds due in 1969. . . .

Only disappointment in this drive is decidedly poor showing on war bond sales. . . . Individual subscriptions to the Series E. F and G bonds have been far below minimum set, suggest forced savings program is more than a possibility for later this year. . . .

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E. J. Kelly Now With Merrill Lynch Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — Edward Joseph Kelly has become associated with Merrill Lynch, Pierce, Fenner & Beane, Board of Trade Building. Mr. Kelly was previously with Blyth & Co., Inc. Prior thereto he conducted his own investment business in Chicago and for many years was with Babcock, Rushton & Co.

Marks Urges Holders of Panama Arrears Ctfs. To Use Right Of Exchange

Carl Marks & Co., Inc., 50 Broad Street, New York City, is urging holders of Republic of Panama arrears certificates to exercise their right to exchange the certificates into bonds and scrip of the Republic of Panama, 3% 1987, before the right expires at 2 p. m. Eastern Standard Time, May 1, 1943.

The arrears certificates were originally issued in November, 1933, under the Republic of Panama Service Readjustment Plan, to holders of Republic of Panama 5%, 1963, for unpaid balance of coupons maturing in 1933, 1934 and 1935, but only to holders whose bonds were stamped indicating assent to the readjustment plan.

The right to exchange the 3% scrip certificates into bonds expires on May 1, 1944, according to the plan.

Clothing Stock Looks Good

An interesting descriptive circular on Fashion Park, Inc., which the firm believes offers attractive possibilities, has been prepared for distribution by Blauner, Simons & Co., 25 Broad Street, New York City, members of the New York Stock Exchange. Copies of this circular may be had from Blauner, Simons & Co. upon request.

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The Business Man's Bookshelf

Feeding of War Workers, The—A Selected, Annotated Bibliography—Industrial Relations Section, Department of Economics and Social Institutions, Princeton University, Princeton, N. J. —paper—25 cents.

How Did We Get This Way?—H. B. Loomis and John B. Knox—Reprinted from the "Commercial and Financial Chronicle"—William B. Dana Company, 25 Spruce Street, New York City—paper—35 cents a copy—Reduction for quantity orders.

Money in the Postwar World—Rene Leon, Princeton, N. J.—paper.

Forms David Morris Co.

David Morris has formed David Morris & Co. with offices at 52 Wall Street, New York City, to conduct a general securities business. Mr. Morris was previously a partner in William Morris & Co. in charge of the trading department.

Situations of Interest

Common stocks of U. S. Truck Lines, Inc. of Delaware, and Mansfield Tire & Rubber present interesting situations at the present time according to memoranda being distributed by Otis & Co., Terminal Tower, Cleveland, Ohio. Copies of these memoranda may be had from the firm upon request.

Situations of Interest

Federal Machine & Welder Co. and Purolator Products, Inc. offer attractive possibilities, according to Reynolds & Co., 120 Broadway, New York City, members of the New York Stock Exchange. Interesting basic reports upon these companies may be had from Reynolds & Co. upon request.

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Volume 157 Number 4172

New York, N. Y., Thursday, April 29, 1943

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The Financial Situation

Some time ago a visiting Englishman said to the American people: "You are building ships over here; you are performing miracles." In no other country in the world, perhaps not in all the other countries in the world combined, have so many ships been built in so short a time as in the United States during the past year. That record, from all appearances, will appear small when compared with our output of ships during the next 12 months if the war continues. Such has been and such plainly will be the achievement of American enterprise—albeit under many handicaps which should never have been imposed.

Industry's Record

Donald Nelson the other day revealed that our production of planes during the month of April will reach approximately 7,000, many of them huge bombers, no doubt, and all of them first-class machines. Unless material shortages or other factors for which American industry is not responsible prevent it, our monthly rate of production by the end of this year may well make the April figure look small. The fantastic program announced by the President soon after the war has not been fulfilled, and probably could not have been, at least without injury to other equally vital programs, but here is an achievement of production, in the making, at least, probably unmatched since the world began. For it we must credit American enterprise—albeit under many handicaps which should never have been imposed.

The production of tanks, meanwhile, has proceeded so rapidly in relation to the effective use to which they could be put at the battlefronts that their output has been "cut back" considerably. Armament and munitions production records are, generally speaking, closely guarded "military secrets," but there is no reason to doubt that if the facts were fully known, it would be possible to compile a long

(Continued on page 1594)

Banking Is In Front Line Trenches To Preserve Nation From Socialistic State

Destruction of Private Enterprise Is Destruction of Democracy, Wiggins Declares

At the recent annual spring meeting of the Executive Council of the American Bankers Association in New York City, A. L. M. Wiggins, Vice-President of the Association and Chairman of the Committee on Federal Legislation, said, in reporting for his group, that "the fight of our banking system represents the front line trenches in the fight to preserve this nation against a socialistic state."

A. L. M. Wiggins

Mr. Wiggins further declared: "It has been the history of the nations of Europe, Germany and Italy and others, that the dictator's first move is to secure the control of the credit system of his nation. That control is secured in many ways but in this nation it has taken the form of so-called socialized credit. That is the spearhead of the attack of state socialism on democracy. The American Bankers Association occupies a critical position, a strategic place in that fight. The test of our courage—whether we are men or cowards—will come as that fight grows stronger and more bitter. We will be denounced from one end of this nation to the other as money grabbers and possibly again we will be put in the temple as Shylocks and money changers, but if we have the courage of men, we will recognize in this contest something that is more fundamental than the salvation of the chartered banking system, because the chartered banking system and private credit are the foundations upon which our entire system of private enterprise rests. If you destroy the private enterprise system in this country you destroy our entire system of democracy and representative government.

"So we are in the front line trenches and we will bear the bruises and suffer the pains and the disappointments and the criticisms that come to those who champion a worthy cause. If we are worthy of the charge that our forefathers through their great labors have laid upon us, we will meet these issues courageously and upstandingly regardless of the blows and the losses that we may suffer."

House Group Favors Trade Pacts Renewal--- McNary Favors Congressional Right To Veto

The House Ways and Means Committee on April 27 approved, by a vote of 14 to 11, a three-year extension of the Reciprocal Trade Agreements Act after defeating a series of amendments sponsored by the Republican minority.

The measure was essentially the same as requested by the State Department except for one change which would permit suspending trade with another nation on evidence that the country dealt with international cartels.

The limiting amendments, which the Democratic majority on the Committee rejected, would have given Congress veto power over the treaties, prevented imports of products at prices that would be lower than domestic cost of production, restricted the program to two years, and have given American producers the right to appeal an agreement to the Customs Court if they could show they had been injured economically.

The extension bill is expected to be debated on the House floor after the pay-as-you-go tax matter is disposed of next week.

A determined fight to obtain at least a two-year extension of the Reciprocal Trade Agreements Act without yielding to amendments which might cause serious repercussions abroad during and after the war, was said on April 23 to be planned by Administration forces in Congress. Advices to the New York "Times" from Washington on April 23 reporting this, further said in part:

"Hearings on the extension resolution were concluded today by the House Ways and Means Committee after two weeks of sessions. It was held possible that a measure, with or without amendments, would be reported to the House before the end of its ten-day Easter recess, and go to the floor after the income-tax legislation is considered.

"With the closing of the hearings, however, there persisted reports that an agreement under which the proposed three-year extension would be cut to two years and the Congress would be given specific powers to invalidate trade pacts with other governments, in whole but not in part, by the adoption of concurrent resolutions within a certain period.

"These reports were not supported by those in charge of the legislation on behalf of the Administration. These key legislators, it was disclosed, insist any restrictions on governmental powers in negotiating the agreements would invite serious difficulties with those nations associated with us in the war.

"Determination to prevent amendments, if possible, was expressed by Representative Doughton, Chairman of the Ways and Means body, and by Senator George, Chairman of the Senate Finance Committee, which will handle the extension resolution in the upper house.

"'I do not think that at this time,' said Senator George, 'the Government can afford to acquiesce in any amendment that would

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What Mr. Willkie Forgot To Remember

By Paul Mallon

A friend of mine says Mr. Willkie is like Maupertuis, the French scientist, who, in the time of Voltaire, made a trip to Lapland.

No one from France had ever been there before. It was more or less a flat land, so Maupertuis concluded without hesitation that all the polar regions were similarly flat, and that the world itself was flat. He came back to Paris, wrote books, made speeches, and became the idol of the hour with his new proof.

In fact, Voltaire concluded, after listening to a few of the speeches and reading the books, that M. Maupertuis came to the conviction that not only the world was flat but he was the guy who had made it flat.

Wendell Willkie

My friend says Mr. Willkie has discovered only the fact that airplanes fly fast these days, and he has erroneously jumped to the conclusion that China, Mesopotamia, Russia and India are not only next door by airplane, but are practically living in our backyard.

He (Mr. Willkie) assumes that inasmuch as you can get to Timbuktu quickly, Timbuktu is the American way of life and a one world with us, sharing our ideals of democracies and our Christian way of life—and is practically the United States.

What Mr. Willkie forgot to remember is that China is still China and Timbuktu is still Timbuktu. Their peoples still believe in all ways as they did before the plane.

They have their religion, their commercial ways, and peculiar domestic mannerisms of life. These are not our way of life.

The airplane has not brought them into the belief that democracy is the pure and only inspiration or that commercialism should

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From Washington Ahead Of The News

By CARLISLE BARGERON

Unless my memory is wrong there was a lot of talk after the November elections about the "new reactionary Congress destroying labor's gains." The situation, instead, has turned out to be that a sizeable portion of the American Federation of Labor is trying strenuously to destroy that thing that was widely hailed as labor's Magna Charter, the Wagner Act, and it is not getting anywhere with the "reactionary" Congress. It is rather a striking commentary on something or other.

Several weeks ago, John P. Frey, President of the A. F. of L. Metal Trades Dept., proposed before the Senate Truman Committee that the Wagner Act be suspended for the duration of the war. Frey's Metal Trades Dept. embraces some million or so members in the shipyards and having to do with shipyard production. Frey's proposal got about a paragraph in the press. Just a few days ago more than 200 labor delegates to a Pacific Coast conference in Portland, representing the Pacific Coast Metal Trades councils, the State Federations of Labor, the local labor councils of the three Coast States, unanimously endorsed a resolution calling for the suspension. Even this seems to have made little or no dent on the public consciousness. You have the amazing spectacle here of a growing movement in organized labor for the suspension of Labor's Magna Charter, and a reluctance on the part of business groups or the Congress to take it up.

Frey, a veteran trade unionist

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The Financial Situation

(Continued from first page)

list of "miracles" of production achieved in this country during the past 12 months. Nor is there good ground for doubting that during the next 12 months American industry will, despite all the difficulties by which it is faced, better its already glowing records.

And the Maligners

So much for the vitality and the genius of an economic system which, according to the New Deal reformers and politicians, had long ago lost its punch and was living largely as a parasite upon the under-privileged third of the population. Turn now to the record of its maligners. It was their duty to tell industry what was wanted and how much. The obligation fell upon them to see that materials were apportioned in such a manner that first things came first off the assembly lines, and in the proper proportion. Theirs was the responsibility for determining how much of the nation's manpower, resources and energies were to be devoted to enlarging the armed forces, to equipping our own fighting men and those of our allies, to the provision of safe transport of our men and supplies across submarine-infested seas, to keeping the civilian population supplied adequately, and to those many other intangible things which must be attended to if morale is to be sustained. It was their plain duty to do all that was necessary to facilitate the work of industry.

How well have these things been done? It must be frankly admitted, of course, that results in these fields are often not very amenable to precise measurement. Appraisal is often in substantial degree a matter of calm judgment rather than statistics. Yet a number of facts are plain. Can any rational man, for example, bring himself to believe that there is any real excuse for the food situation which has developed in this country and which threatens to become very much worse before another year has passed? What can be said in defense of policies which took millions of men and women from the farms to the armed forces and to the factories? More or less frantic and often quite ill-advised efforts to lock the stable door after half of the horses were gone bear eloquent testimony to neglect and incompetence while the stalls were yet filled.

Rubber As an Example

Another controversy which has once again broken bounds and is raging for all the world to see strongly suggests lack of foresight and effective action while there was still time. We refer to rubber, of course. It was for a long time a stormy peak about which violent gales raged while the President and his advisers talked but did little or nothing. Finally the President passed this troublesome question and its responsibility (as he doubtless hoped) to a specially appointed committee. The committee's report was handed to a railroad executive (who proved to be a real executive) with instructions to act accordingly. No sooner had the new program been started, indeed, before it was ever able to get under way, bitter controversy arose within Governmental circles as to whether it should be effected as planned. A "compromise" was finally effected, but evidently settled nothing. Even in its pruned form it is charged with taking certain equipment which is in limited supply and which is needed for what is regarded apparently in the armed forces as more vital purposes.

Again the President hesitates, and while he hesitates the people wonder, and wondering further lose faith in those who are guiding the destinies of this nation in this crisis. Are we really preparing to produce more rubber than is essential? Are aviation gasoline and certain other supplies really being endangered thereby? Or, is the Army merely professionally impatient with anything it thinks of as "coddling" civilians? What should be competent witnesses are to be heard repeatedly on each side of the question. No one in real authority, or who should be in real authority, over such disputes appears to be willing to decide the matter, and the controversy rages on with growing damage to morale.

Another Question

Meanwhile, thoughtful observers are asking other questions which badly need an answer. If, as is alleged, there is a limited supply, or at the very least an inadequate supply, of certain types of equipment essential both to the manufacture of synthetic rubber and a number of other vital things, who is responsible for that shortage? Why should not there be a supply of these things sufficient for all needs? There can scarcely be any excuse for those who have been planning this war not knowing a year or more ago that such a need would arise for them. Why have not facilities been created for their manufacture in adequate amounts? Why have we manufactured more tanks than we can effectively use—or at least brought plants into existence for the manufacture of more than that—or more explosives and not enough of equipment which appears to be in such short supply?

No General Staff

To the ordinary layman it would appear that we have here another case similar to that in agriculture—inadequate foresight and faulty planning. One is obliged, despite himself, to wonder how many other situations of a like sort have developed of which the public is permitted to know nothing. But whether there are many others or not, those of which the public has learned are disturbing enough. What we appear to have in Washington to direct the broader aspects of war production is a number of field generals, some of them men of outstanding ability, but no general staff; a business enterprise with a number of excellent individual officers, but no Board of Directors, Executive Committee or really effective top executive officer. Neither an army nor a business concern could succeed in this way, and neither can a nation at war.

Here we find the explanation in large part, we suspect, of the lack of public unity in support of voluntary controls or even, for that matter, of formal orders. It seems to us that there probably never was such an excellent army so poorly led or directed as we have in the case of American industry today.

Getting Things Done

"You know, boys, this country would be better off if some of us did more thinking and less talking.

"The difference between the rubber and the other programs is the drive keeping it a live thing, contrasted to sitting around desks and issuing orders and grousing about some one else taking something away. The difference is that we are getting out on the job and getting it done.

W. M. Jeffers

"A simple fact is that the rubber program has not interfered with a single other program. It has not retarded a single project. As a matter of fact, my position is that it has lifted along other programs and has provided additional capacities by uncovering new sources of supply.

"And I think we have taught some of the others what it means to get behind a job and carry it through. The final answer is that the rubber program is going ahead."—William M. Jeffers.

Mr. Jeffers was drawn into government service and instructed to "bull" the Baruch rubber program through. He has proceeded to do precisely that—save only when modification of the original program was ordered by the authority which originally issued his instructions.

Enemies, political or other, which he was making, disturbed him not in the least. If he was aware of the petty intrigues and the innumerable political boll-weevils about him, he gave no signs of it.

He got things done! If only there were more men like him in Washington!

And a top executive to formulate and make effective general policy!

The State Of Trade

High levels of activity are being maintained in most of the heavy industries. The retail trade was again an outstanding feature this week. Business spiraled to new high levels for the Easter season, with merchants estimating the gain in New York City department stores at 20% to 25% above the comparative week a year ago. Had the weather been more favorable the increase would have been closer to double these figures, retailers said.

Electrical energy distributed by the electric light and power industry for the week ended April 17 was 3,916,794,000 kwh., an increase of 18.4% over the total of 3,307,700,000 recorded in the like 1942 period, according to the Edison Electric Institute.

Consolidated Edison Co. of New York announced system output of electricity for the week ended April 18 amounted to 178,100,000 kwh., compared with 144,300,000 in the like 1942 week. Local distribution was 173,700,000 hours, against 143,700,000 for the like 1942 period.

Car loadings of revenue freight for the week ended April 17 totaled 780,908 cars, according to reports filed with the Association of American Railroads. This was a decrease of 8,110 cars below the preceding week this year, 65,597 cars fewer than the corresponding week in 1942 and 72,115 cars above the same period two years ago.

This total was 122.26% of average loading for the corresponding week of the 10 preceding years.

Freight traffic continues to rise in reflection of the nation's mounting war effort. The slight decline in January, resulting in part from bad weather, has since been reversed. Passenger business is still showing marked expansion, with military travel the principal but by no means the only factor.

Carloadings, of course, are no longer a true measure of the freight movement, authorities point out. Ever since April, 1942, the number of cars loaded per month has been smaller than in the year before—but the cars have been loaded more heavily, thanks to ODT regulations.

Furthermore, the hauls have been longer. Ton-mileage has been uninterruptedly larger than in the corresponding year-earlier period.

The rate cuts ordered recently by the Interstate Commerce Commission will cost the railroads $300,000,000 annually in gross revenues, according to a survey of the railroad industry made public by Standard & Poor's. Since they do not take effect until May 15, the amount involved this year will approximate $185,000,000. About half of this loss of revenues will be offset by reduced excess profits taxes.

"Moreover," the survey continues, "it is now plain that any wage increases will be moderate, perhaps $75,000,000. These figures, combined, are small in comparison with the railroads, $960,000,000 of net income last year. Because of increased traffic railroad gross will be up at least 10% this year, despite the rate cuts. Net income will be off, but will remain far above normal peacetime levels."

Tonnage of steel produced in the United States this week will be the largest on record, the American Iron & Steel Institute reports.

Output of ingots and castings is scheduled at 100% of rated capacity, equivalent to 1,731,700 net tons for the week. Last week the rate was 99.1 and output 1,716,100 tons. In the like 1942 week production was 1,679,900 tons. The previous weekly high was 1,729,500 tons in the week beginning Oct. 26, 1942, when output capacity was smaller than at present.

Department store sales on a country-wide basis were up 15% for the week ended April 17, compared with the like week a year ago, according to the Federal Reserve Board.

Store sales were up 7% for the four weeks ended April 17, compared with the corresponding period a year ago.

Department store sales in New York City in the week ended April 17 were 11% larger than in the like 1942 week, and in the four weeks ended April 17 were 1% better than in the corresponding period a year ago, according to the New York Federal Reserve Bank.

Final buying of Easter apparel and associated items during last week stepped up retail volume to a new 1943 high, with the increase for the country as a whole estimated 12% to 17% above the corresponding week of 1942, according to Dun & Bradstreet, Inc.

Regional comparisons show the following percentage gains: New England, 4% to 9%; East, 8% to 13%; Middle-West, 10% to 16%; South, 14% to 19%; Southwest, 19% to 26%; Northwest, 12% to 18%, and Pacific Coast, 15% to 21%.

Retail sales on a country-wide basis are making new records. Reports covering the first quarter of 1943 show that total sales, representing all types of business, are well ahead of comparative 1942 figures—the all-time high. February business reached a new peak for that month, while March sales went substantially ahead of a year ago. This is significant in view of the fact that the first three months of 1942 hit high levels. The showing thus far in 1943 is far above expectations, leading to predictions in some quarters that earlier estimates that the year's final figures would show a decline may have been too pessimistic.

Now that the first quarter of 1943 has shown sharp improvement over a record 1942 three-month period, the belief is that the next six months—the low period of 1942—will bring good gains.

New Cotton Exch. Members

Robert J. Murray, President of the New York Cotton Exchange announced on April 24 the election of three new members: Paul Perutz of Schwabach & Co. of New York City, J. E. Bridges of J. E. Bridges Cotton Co. of Tuskegee, Ala., and Preston M. Marble of Marble & Co., New York City.

Landon Urges Creation Of Nat'l War Council To Stop 'Muddling' Through On Home Front

Alfred M. Landon, former Governor of Kansas and 1936 Republican candidate for President, appealed in a radio speech in New York on April 16, for the establishment of a national war council to unify and direct America's contribution to winning the war and for the basing of post-war relations between nations on the fundamental, everyday virtues of honesty, integrity and responsibility that govern relations between individuals.

The New York "Times" of April 17, from which the foregoing is taken, further indicated as follows what Mr. Landon had to say:

Reviewing domestic and international problems confronting the country, Mr. Landon praised the military forces for doing a "grand job," criticized the lack of unified direction of the home front, rebuked the Roosevelt Administration for paying too much attention to "lace and ruffles" on foreign policies and asserted that the United States can lay the foundations for a just and lasting peace "by simple integrity, straightforward financial policies and by humane, honest and decent consideration for the rights of others."

Mr. Landon's plea for a national war council was founded on the same arguments that other Republicans, in Congress and out, have been using in support of similar demands in the past.

"We need, above everything else, and we need at once a real and actual and functioning war council," he said. "The chief administrative officials of the country must have some place where they can meet and settle their difficulties so that they can go about their business of winning the war without having to manoeuvre for their own particular policies through publicity and wire pulling.

"It is not a question of the rightness or wrongness of any one policy. Each man sincerely believes that his own position is essential to victory. But there is no place where policies can be readily and finally determined. They are dragged through the various boards and bureaus and commissions in Washington until they become a national scandal and Congress is at last compelled to force a positive decision by the Chief Executive.

"There is no question in my mind that we are going to win this war. The military is doing a grand job. But on the home front we are 'muddling through' this war. The present administrative confusion must stop or it will cost the American people dearly, not only in dollars but in misery and deep tragedy.

"We must have, and have at once, an efficiently organized Council of War, similar to the one Woodrow Wilson created and used so effectively in the settlement of home-front problems in the last war. Moreover, we must not forget that we are at war with Japan as well as with Germany."

Turning to our relations with other countries and plans for the post-war period, Mr. Landon said:

"There is too much inclination at the moment to pay attention to the lace and ruffles of our foreign problems. By this I mean such things as our Treasury's plan for a series of great international organizations designed by ambitious and dreamy bureaucrats to impose on the world a managed economy, the very thing we are fighting. There is too much inclination to sneer at the simple, straightforward rules which the experience of the human race shows must not be violated—honesty, integrity, responsibility and international relationships based on 'open covenants, openly arrived at.'"

Mr. Landon commended to the State Department a study of the years between 1815 and 1914, which he described as the most peaceful years that the modern world has enjoyed, for finding foundations on which to construct a just and lasting peace.

"Some people will tell you that this long era of prosperity was due to an international police force called the British Empire," he continued. "That 'police force' may have helped prosperity but, in my opinion, it did not cause it. The real foundation of that prosperity was a stable currency. That stable currency facilitated international exchange. It fostered the production and sale of goods. It protected world-wide commerce.

"The period between 1815 and 1914 was a period of financial honesty, a period of extraordinary governmental financial responsibility; it was the period of the greatest spread of representative government; it was a period of international live and let live; it was the period of the greatest rise in the standard of living of the average man; it was the period when governments truly began to accept responsibility for the welfare of their people; it was the period when governments began to realize that business must not be allowed to run wild; it was the period of the greatest integrity of governments."

People all over the world are now looking to America for leadership, he asserted, "because the people of the world know that they have nothing to fear from any peace approved by the people of the United States."

"Now is the time for the United States to step into the leadership of the world, not for imperialistic purposes, and not in an imperialistic way," he added. "Now is the time for the United States to offer the world an example by the continued protection of the rights of the minority at home. Now is the time when, by simple integrity, by straightforward financial policies, by humane, honest and decent consideration for the rights of others, the United States must lay the foundation for a lasting and durable peace."

Foreign Bondholders Council Objects To Mexican Govt.'s Offer

In a release issued April 14 bearing on the plan of service made to holders of Mexican Government bonds, under an agreement dated Nov. 5, 1942, between the Government of Mexico and the International Committee of Bankers on Mexico, the Foreign Bondholders Protective Council, Inc., records its position as follows:

"The Foreign Bondholders Protective Council, Inc., has not participated in any way in the negotiation of this agreement. The plan of service offered under this agreement, involving as it does a reduction of principal, cancellation of a very large part of the back interest, payment of the current interest at an exceedingly low rate, and discrimination in favor of certain issues of 'secured bonds,' involves principles which the Council has not admitted in its dealings with foreign governments. The Council could not, therefore, accept the plan as a precedent for its negotiations with other countries."

With respect to the agreement the Bondholders Council states:

"Under an agreement dated Nov. 5, 1942, between the Government of Mexico and the International Committee of Bankers on Mexico, an offer has been made to holders of Mexican Government bonds.

"The offer applies to the following dollar issues:

"United States of Mexico 4% gold bonds of 1904, and Institution for Encouragement of Irrigation Works and Development of Agriculture (S. A.) 35-year 4½% sinking fund gold bonds due Nov. 1, 1943.

"Under certain specified conditions holders of bonds of these two issues, after registration to indicate non-enemy ownership, are offered 7/10th of 1% of the past due interest for 29 years, 1914 to 1942, both inclusive, with semi-annual interest beginning Jan. 1, 1943, in the following amounts per $1,000 bond:

"Mexico 4% bonds of 1904, $5.68 per annum; Irrigation Works, 4½%, due 1943, $6.40 per annum.

"These two issues are treated somewhat less favorably than certain sterling and franc issues which are classified as secured loans. The plan provides for redemption by lot of the two dollar bond issues prior to Jan. 1, 1968, at the rate of one peso per dollar. Since the rate of exchange fixed in the agreement is 4.85 pesos per U. S. dollar, this will mean a reduction in principal of nearly 80%."

Unity Of Americas Basis For Future World Association

Declares Welles In Pan American Day Address

Sumner Welles, Under-Secretary of State, expressed the belief on April 14 "that the future peace and security of the world can only be assured by the ultimate creation of an international organization in which every region and every peace-loving State is represented."

In an address at a Pan American Day luncheon of the Rotary Club in New York City, Mr. Welles stated that a "solid cornerstone" for a future world order which embraces an association of nations has been laid in the Western Hemisphere association of 21 sovereign and independent countries.

"It is my cherished conviction," Mr. Welles said, "that in the world of the future the freedom-loving democracies of the New World will in very truth guide the feet of all men into the paths of peace." The New York "Herald Tribune" further reported him as saying:

"They recognize, I believe, that the New World can never attain that measure of security and of well-being to which it aspires, except in collaboration with the other States and regions of the world.

"To this collaboration the American republics have much to bring. They have the experience of their own achievement in international living. They have proven the correctness of their great ideal that cooperation among States, premised upon the recognition of the equality of the sovereign rights of all nations, great or small, and guided by the principles which they have established, can work."

Mr. Welles traced the history of relations with the Latin American countries and the ten years since the Good Neighbor policy was put into effect, describing the latter as "the outstanding achievement in practical international living of all history."

The Under-Secretary further asserted that the United States policies of non-intervention and reciprocal trade concessions laid the groundwork for undertaking inter-American cooperative action in many broad fields. Among these he listed the economic development of the neighboring republics through United States capital, technique and management.

Cooper Of AP Urges Newspapers To Foster Crusade For Free Press For World

Kent Cooper, General Manager of the Associated Press, expressed the hope on April 19 that, when the day of peace comes, the press of all countries will seek the right to give the people the truth and urged that the press of this country "ought to crusade to prove to all the world that a free press is a heritage of the people and that with it the people can maintain their freedom."

In his address before the annual luncheon in New York City of the organization, Mr. Cooper said that while peace seemed a long way off, "nevertheless, it is the very nature of the heart of a nation that did not want war to yearn for peace." Mr. Cooper further declared:

"Thus the people of such a nation, even from the day it declares war, begin to contemplate the terms of peace. The longer the war the more agitated become the discussions of what the peace shall provide.

"Finally comes the peace conference, where heretofore all interests have had their representatives making demands except the press, whose representatives are there only as reporters. Never at the end of any war in history has an organized effort of the newspaper men of any nation demanded that a peace treaty contain a clause affecting any element of the news business. An experiment in that direction in connection with the next peace treaty would, therefore, be as interesting as it would be novel.

"It is too much to expect that news men will sit at the peace tables. Around those tables will be, as always, politicians and soldiers in the roles of statesmen. This in spite of the fact that it is doubtful whether any politician or soldier can have any better understanding of most of the causes of war than accomplished newspaper men of international experience. Certainly news men alone have competent knowledge of one cause of war concerning which I mean to be specific, namely, perverted presentation of international news, which is found in lands where the people are not free.

"If any other business were afforded an opportunity for so important a mission affecting its relation to the public welfare, it would do something about it. With such an opportunity and wishing for its continued security at home, I suggest that the press would do well to foster a crusade that the people of all countries may be granted what is a constitutional right here—namely, a free press which has served and preserved the rights of free men in this country of ours.

"Even if the effort could not gain any perceptible change in countries where governments control what the press may print, it surely could gain two important guaranties: first, that news at its source shall be freely available to all news men everywhere; and, second, that no country shall give preferential transmission facilities to its own press as against the press of any other country. This means that correspondents of individual newspapers and press associations everywhere should have direct and equal access to the news of all governments, with equal facilities of transmission thereof to their own countries.

"In stating briefly how this would eradicate a cause of international friction, I do so only to emphasize what may be within the knowledge of all news men.

"Exclusive access to the news of governments can only be gained by a news service through its subordination to the government that affords such exclusive access. That means that the government's news story will be presented in only one way, the government's way, with the resulting perversion of the truth, when necessary, to serve the government purpose.

"Availability of news at the source, with the resulting competition in getting it and preparing it for publication, will lead to honesty in news, because with the source open to all, the liar cannot gain credence for his tainted news. Thus the truth can bring mutual understanding across international boundaries.

"This, then, is an expression of hope that whenever the day of peace shall come, the press of all countries will seek the right to give the people the truth. As surely as it has, through lack of interest, contributed to a cause of war, it should avail itself of this opportunity. And as for the press of this country, the strongest newspaper force ever developed in any nation ought to crusade to prove to all the world that a free press is a heritage of the people and that with it the people can maintain their freedom."

The designation of Frank B. Noyes, President of the Washington "Star" as honorary President of the Associated Press and of Mr. Cooper as Executive Director was announced on April 20 by the board of directors of the news association. In addition to other duties as executive director, Mr. Cooper continues the responsibilities heretofore carried by him as general manager.

Mr. Noyes retired as President of The Associated Press in 1938 after 38 years in that office.

Robert McLean of the Philadelphia "Bulletin" was re-elected President. Other officers elected were: Paul Bellamy, Cleveland "Plain Dealer," First Vice-President; Houston Harte, San Angelo (Tex.) "Standard-Times," Second Vice-President; Lloyd Stratton, Secretary, an office heretofore held by Mr. Cooper; L. F. Curtis, Treasurer; Frank J. Starzel, Assistant Secretary; Alan J. Gould, Assistant Treasurer.

The members of the executive committee elected in addition to Messrs. McLean, Bellamy and Noyes, are: Paul Patterson, Baltimore "Sun"; Stuart Perry, Adrian (Mich.) "Telegram"; Arthur Hays Sulzberger, New York "Times", and E. H. Butler, Buffalo (N. Y.) "News".

Methods For Saving Paper Suggested to WPB Staff

In a memorandum to the WPB staff on April 17, Chairman Nelson suggested immediate methods for curtailment of paper use within the Board, according to Associated Press accounts from Washington April 16, which reported the memorandum as saying:

"The paper shortage, and the fact that we have had to curtail the use of paper for magazines, newspapers, commercial printing and other such purposes, make it doubly necessary for WPB itself to set an example in saving paper.

"Government uses of paper are being studied. But there is no reason why we ourselves cannot see to it now that paper saving begins at home."

The press advices further state that among Mr. Nelson's suggestions were the following:

"No material should be printed, duplicated or mimeographed unless it will make a direct contribution to the war.

"Any contemplated forms, pamphlets, form letters, etc., should be carefully estimated in advance and the number ordered should be held to the minimum needed to accomplish the purpose.

"End of non-essential mailing.

"Reuse of all scrap paper, including obsolete office stationery.

"Use of both sides of paper whenever possible."

The Financial Situation

(Continued from first page)

list of "miracles" of production achieved in this country during the past 12 months. Nor is there good ground for doubting that during the next 12 months American industry will, despite all the difficulties by which it is faced, better its already glowing records.

And the Maligners

So much for the vitality and the genius of an economic system which, according to the New Deal reformers and politicians, had long ago lost its punch and was living largely as a parasite upon the under-privileged third of the population. Turn now to the record of its maligners. It was their duty to tell industry what was wanted and how much. The obligation fell upon them to see that materials were apportioned in such a manner that first things came first off the assembly lines, and in the proper proportion. Theirs was the responsibility for determining how much of the nation's manpower, resources and energies were to be devoted to enlarging the armed forces, to equipping our own fighting men and those of our allies, to the provision of safe transport of our men and supplies across submarine-infested seas, to keeping the civilian population supplied adequately, and to those many other intangible things which must be attended to if morale is to be sustained. It was their plain duty to do all that was necessary to facilitate the work of industry.

How well have these things been done? It must be frankly admitted, of course, that results in these fields are often not very amenable to precise measurement. Appraisal is often in substantial degree a matter of calm judgment rather than statistics. Yet a number of facts are plain. Can any rational man, for example, bring himself to believe that there is any real excuse for the food situation which has developed in this country and which threatens to become very much worse before another year has passed? What can be said in defense of policies which took millions of men and women from the farms to the armed forces and to the factories? More or less frantic and often quite ill-advised efforts to lock the stable door after half of the horses were gone bear eloquent testimony to neglect and incompetence while the stalls were yet filled.

Rubber As an Example

Another controversy which has once again broken bounds and is raging for all the world to see strongly suggests lack of foresight and effective action while there was still time. We refer to rubber, of course. It was for a long time a stormy peak about which violent gales raged while the President and his advisers talked but did little or nothing. Finally the President passed this troublesome question and its responsibility (as he doubtless hoped) to a specially appointed committee. The committee's report was handed to a railroad executive (who proved to be a real executive) with instructions to act accordingly. No sooner had the new program been started, indeed, before it was ever able to get under way, bitter controversy arose within Governmental circles as to whether it should be effected as planned. A "compromise" was finally effected, but evidently settled nothing. Even in its pruned form it is charged with taking certain equipment which is in limited supply and which is needed for what is regarded apparently in the armed forces as more vital purposes.

Again the President hesitates, and while he hesitates the people wonder, and wondering further lose faith in those who are guiding the destinies of this nation in this crisis. Are we really preparing to produce more rubber than is essential? Are aviation gasoline and certain other supplies really being endangered thereby? Or, is the Army merely professionally impatient with anything it thinks of as "coddling" civilians? What should be competent witnesses are to be heard repeatedly on each side of the question. No one in real authority, or who should be in real authority, over such disputes appears to be willing to decide the matter, and the controversy rages on with growing damage to morale.

Another Question

Meanwhile, thoughtful observers are asking other questions which badly need an answer. If, as is alleged, there is a limited supply, or at the very least an inadequate supply, of certain types of equipment essential both to the manufacture of synthetic rubber and a number of other vital things, who is responsible for that shortage? Why should not there be a supply of these things sufficient for all needs? There can scarcely be any excuse for those who have been planning this war not knowing a year or more ago that such a need would arise for them. Why have not facilities been created for their manufacture in adequate amounts? Why have we manufactured more tanks than we can effectively use—or at least brought plants into existence for the manufacture of more than that—or more explosives and not enough of equipment which appears to be in such short supply?

No General Staff

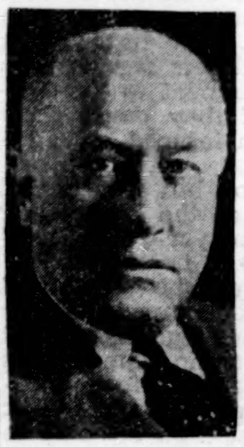
To the ordinary layman it would appear that we have here another case similar to that in agriculture—inadequate foresight and faulty planning. One is obliged, despite himself, to wonder how many other situations of a like sort have developed of which the public is permitted to know nothing. But whether there are many others or not, those of which the public has learned are disturbing enough. What we appear to have in Washington to direct the broader aspects of war production is a number of field generals, some of them men of outstanding ability, but no general staff; a business enterprise with a number of excellent individual officers, but no Board of Directors, Executive Committee or really effective top executive officer. Neither an army nor a business concern could succeed in this way, and neither can a nation at war.

Here we find the explanation in large part, we suspect, of the lack of public unity in support of voluntary controls or even, for that matter, of formal orders. It seems to us that there probably never was such an excellent army so poorly led or directed as we have in the case of American industry today.

Getting Things Done

"You know, boys, this country would be better off if some of us did more thinking and less talking.

"The difference between the rubber and the other programs is the drive keeping it a live thing, contrasted to sitting around desks and issuing orders and grousing about some one else taking something away. The difference is that we are getting out on the job and getting it done.



W. M. Jeffers

"A simple fact is that the rubber program has not interfered with a single other program. It has not retarded a single project. As a matter of fact, my position is that it has lifted along other programs and has provided additional capacities by uncovering new sources of supply.

"And I think we have taught some of the others what it means to get behind a job and carry it through. The final answer is that the rubber program is going ahead."—William M. Jeffers.

Mr. Jeffers was drawn into government service and instructed to "bull" the Baruch rubber program through. He has proceeded to do precisely that—save only when modification of the original program was ordered by the authority which originally issued his instructions.

Enemies, political or other, which he was making, disturbed him not in the least. If he was aware of the petty intrigues and the innumerable political boll-weevils about him, he gave no signs of it.

He got things done! If only there were more men like him in Washington!

And a top executive to formulate and make effective general policy!

The State Of Trade

High levels of activity are being maintained in most of the heavy industries. The retail trade was again an outstanding feature this week. Business spiraled to new high levels for the Easter season, with merchants estimating the gain in New York City department stores at 20% to 25% above the comparative week a year ago. Had the weather been more favorable the increase would have been closer to double these figures, retailers said.

Electrical energy distributed by the electric light and power industry for the week ended April 17 was 3,916,794,000 kwh., an increase of 18.4% over the total of 3,307,700,000 recorded in the like 1942 period, according to the Edison Electric Institute.

Consolidated Edison Co. of New York announced system output of electricity for the week ended April 18 amounted to 178,100,000 kwh., compared with 144,300,000 in the like 1942 week. Local distribution was 173,700,000 hours, against 143,700,000 for the like 1942 period.

Car loadings of revenue freight for the week ended April 17 totaled 780,908 cars, according to reports filed with the Association of American Railroads. This was a decrease of 8,110 cars below the preceding week this year, 65,597 cars fewer than the corresponding week in 1942 and 72,115 cars above the same period two years ago.

This total was 122.26% of average loading for the corresponding week of the 10 preceding years.

Freight traffic continues to rise in reflection of the nation's mounting war effort. The slight decline in January, resulting in part from bad weather, has since been reversed. Passenger business is still showing marked expansion, with military travel the principal but by no means the only factor.

Carloadings, of course, are no longer a true measure of the freight movement, authorities point out. Ever since April, 1942, the number of cars loaded per month has been smaller than in the year before—but the cars have been loaded more heavily, thanks to ODT regulations.

Furthermore, the hauls have been longer. Ton-mileage has been uninterruptedly larger than in the corresponding year-earlier period.

The rate cuts ordered recently by the Interstate Commerce Commission will cost the railroads $300,000,000 annually in gross revenues, according to a survey of the railroad industry made public by Standard & Poor's. Since they do not take effect until May 15, the amount involved this year will approximate $185,000,000. About half of this loss of revenues will be offset by reduced excess profits taxes.

"Moreover," the survey continues, "it is now plain that any wage increases will be moderate, perhaps $75,000,000. These figures, combined, are small in comparison with the railroads, $960,000,000 of net income last year. Because of increased traffic railroad gross will be up at least 10% this year, despite the rate cuts. Net income will be off, but will remain far above normal peacetime levels."

Tonnage of steel produced in the United States this week will be the largest on record, the American Iron & Steel Institute reports.

Output of ingots and castings is scheduled at 100% of rated capacity, equivalent to 1,731,700 net tons for the week. Last week the rate was 99.1 and output 1,716,100 tons. In the like 1942 week production was 1,679,900 tons. The previous weekly high was 1,729,500 tons in the week beginning Oct. 26, 1942, when output capacity was smaller than at present.

Department store sales on a country-wide basis were up 15% for the week ended April 17, compared with the like week a year ago, according to the Federal Reserve Board.

Store sales were up 7% for the four weeks ended April 17, compared with the corresponding period a year ago.

Department store sales in New York City in the week ended April 17 were 11% larger than in the like 1942 week, and in the four weeks ended April 17 were 1% better than in the corresponding period a year ago, according to the New York Federal Reserve Bank.

Final buying of Easter apparel and associated items during last week stepped up retail volume to a new 1943 high, with the increase for the country as a whole estimated 12% to 17% above the corresponding week of 1942, according to Dun & Bradstreet, Inc.

Regional comparisons show the following percentage gains: New England, 4% to 9%; East, 8% to 13%; Middle-West, 10% to 16%; South, 14% to 19%; Southwest, 19% to 26%; Northwest, 12% to 18%, and Pacific Coast, 15% to 21%.

Retail sales on a country-wide basis are making new records. Reports covering the first quarter of 1943 show that total sales, representing all types of business, are well ahead of comparative 1942 figures—the all-time high. February business reached a new peak for that month, while March sales went substantially ahead of a year ago. This is significant in view of the fact that the first three months of 1942 hit high levels. The showing thus far in 1943 is far above expectations, leading to predictions in some quarters that earlier estimates that the year's final figures would show a decline may have been too pessimistic.

Now that the first quarter of 1943 has shown sharp improvement over a record 1942 three-month period, the belief is that the next six months—the low period of 1942—will bring good gains.

New Cotton Exch. Members

Robert J. Murray, President of the New York Cotton Exchange announced on April 24 the election of three new members: Paul Perutz of Schwabach & Co. of New York City, J. E. Bridges of J. E. Bridges Cotton Co. of Tuskegee, Ala., and Preston M. Marble of Marble & Co., New York City.

Landon Urges Creation Of Nat'l War Council To Stop 'Muddling' Through On Home Front

Alfred M. Landon, former Governor of Kansas and 1936 Republican candidate for President, appealed in a radio speech in New York on April 16, for the establishment of a national war council to unify and direct America's contribution to winning the war and for the basing of post-war relations between nations on the fundamental, everyday virtues of honesty, integrity and responsibility that govern relations between individuals.

The New York "Times" of April 17, from which the foregoing is taken, further indicated as follows what Mr. Landon had to say:

Reviewing domestic and international problems confronting the country, Mr. Landon praised the military forces for doing a "grand job," criticized the lack of unified direction of the home front, rebuked the Roosevelt Administration for paying too much attention to "lace and ruffles" on foreign policies and asserted that the United States can lay the foundations for a just and lasting peace "by simple integrity, straightforward financial policies and by humane, honest and decent consideration for the rights of others."

Mr. Landon's plea for a national war council was founded on the same arguments that other Republicans, in Congress and out, have been using in support of similar demands in the past.

"We need, above everything else, and we need at once a real and actual and functioning war council," he said. "The chief administrative officials of the country must have some place where they can meet and settle their difficulties so that they can go about their business of winning the war without having to manoeuvre for their own particular policies through publicity and wire pulling.

"It is not a question of the rightness or wrongness of any one policy. Each man sincerely believes that his own position is essential to victory. But there is no place where policies can be readily and finally determined. They are dragged through the various boards and bureaus and commissions in Washington until they become a national scandal and Congress is at last compelled to force a positive decision by the Chief Executive.

"There is no question in my mind that we are going to win this war. The military is doing a grand job. But on the home front we are 'muddling through' this war. The present administrative confusion must stop or it will cost the American people dearly, not only in dollars but in misery and deep tragedy.

"We must have, and have at once, an efficiently organized Council of War, similar to the one Woodrow Wilson created and used so effectively in the settlement of home-front problems in the last war. Moreover, we must not forget that we are at war with Japan as well as with Germany."

Turning to our relations with other countries and plans for the post-war period, Mr. Landon said:

"There is too much inclination at the moment to pay attention to the lace and ruffles of our foreign problems. By this I mean such things as our Treasury's plan for a series of great international organizations designed by ambitious and dreamy bureaucrats to impose on the world a managed economy, the very thing we are fighting. There is too much inclination to sneer at the simple, straightforward rules which the experience of the human race shows must not be violated—honesty, integrity, responsibility and international relationships based on 'open covenants, openly arrived at.'"

Mr. Landon commended to the State Department a study of the years between 1815 and 1914, which he described as the most peaceful years that the modern world has enjoyed, for finding foundations on which to construct a just and lasting peace.

"Some people will tell you that this long era of prosperity was due to an international police force called the British Empire," he continued. "That 'police force' may have helped prosperity but, in my opinion, it did not cause it. The real foundation of that prosperity was a stable currency. That stable currency facilitated international exchange. It fostered the production and sale of goods. It protected world-wide commerce.

"The period between 1815 and 1914 was a period of financial honesty, a period of extraordinary governmental financial responsibility; it was the period of the greatest spread of representative government; it was a period of international live and let live; it was the period of the greatest rise in the standard of living of the average man; it was the period when governments truly began to accept responsibility for the welfare of their people; it was the period when governments began to realize that business must not be allowed to run wild; it was the period of the greatest integrity of governments."

People all over the world are now looking to America for leadership, he asserted, "because the people of the world know that they have nothing to fear from any peace approved by the people of the United States."

"Now is the time for the United States to step into the leadership of the world, not for imperialistic purposes, and not in an imperialistic way," he added. "Now is the time for the United States to offer the world an example by the continued protection of the rights of the minority at home. Now is the time when, by simple integrity, by straightforward financial policies, by humane, honest and decent consideration for the rights of others, the United States must lay the foundation for a lasting and durable peace."

Foreign Bondholders Council Objects To Mexican Govt.'s Offer

In a release issued April 14 bearing on the plan of service made to holders of Mexican Government bonds, under an agreement dated Nov. 5, 1942, between the Government of Mexico and the International Committee of Bankers on Mexico, the Foreign Bondholders Protective Council, Inc., records its position as follows:

"The Foreign Bondholders Protective Council, Inc., has not participated in any way in the negotiation of this agreement. The plan of service offered under this agreement, involving as it does a reduction of principal, cancellation of a very large part of the back interest, payment of the current interest at an exceedingly low rate, and discrimination in favor of certain issues of 'secured bonds,' involves principles which the Council has not admitted in its dealings with foreign governments. The Council could not, therefore, accept the plan as a precedent for its negotiations with other countries."

With respect to the agreement the Bondholders Council states:

"Under an agreement dated Nov. 5, 1942, between the Government of Mexico and the International Committee of Bankers on Mexico, an offer has been made to holders of Mexican Government bonds.

"The offer applies to the following dollar issues:

"United States of Mexico 4% gold bonds of 1904, and Institution for Encouragement of Irrigation Works and Development of Agriculture (S. A.) 35-year 4½% sinking fund gold bonds due Nov. 1, 1943.

"Under certain specified conditions holders of bonds of these two issues, after registration to indicate non-enemy ownership, are offered 7/10th of 1% of the past due interest for 29 years, 1914 to 1942, both inclusive, with semi-annual interest beginning Jan. 1, 1943, in the following amounts per $1,000 bond:

"Mexico 4% bonds of 1904, $5.68 per annum; Irrigation Works, 4½%, due 1943, $6.40 per annum.

"These two issues are treated somewhat less favorably than certain sterling and franc issues which are classified as secured loans. The plan provides for redemption by lot of the two dollar bond issues prior to Jan. 1, 1968, at the rate of one peso per dollar. Since the rate of exchange fixed in the agreement is 4.85 pesos per U. S. dollar, this will mean a reduction in principal of nearly 80%."

Unity Of Americas Basis For Future World Association

Declares Welles In Pan American Day Address

Sumner Welles, Under-Secretary of State, expressed the belief on April 14 "that the future peace and security of the world can only be assured by the ultimate creation of an international organization in which every region and every peace-loving State is represented."

In an address at a Pan American Day luncheon of the Rotary Club in New York City, Mr. Welles stated that a "solid cornerstone" for a future world order which embraces an association of nations has been laid in the Western Hemisphere association of 21 sovereign and independent countries.

"It is my cherished conviction," Mr. Welles said, "that in the world of the future the freedom-loving democracies of the New World will in very truth guide the feet of all men into the paths of peace." The New York "Herald Tribune" further reported him as saying:

"They recognize, I believe, that the New World can never attain that measure of security and of well-being to which it aspires, except in collaboration with the other States and regions of the world.

"To this collaboration the American republics have much to bring. They have the experience of their own achievement in international living. They have proven the correctness of their great ideal that cooperation among States, premised upon the recognition of the equality of the sovereign rights of all nations, great or small, and guided by the principles which they have established, can work."

Mr. Welles traced the history of relations with the Latin American countries and the ten years since the Good Neighbor policy was put into effect, describing the latter as "the outstanding achievement in practical international living of all history."

The Under-Secretary further asserted that the United States policies of non-intervention and reciprocal trade concessions laid the groundwork for undertaking inter-American cooperative action in many broad fields. Among these he listed the economic development of the neighboring republics through United States capital, technique and management.

Cooper Of AP Urges Newspapers To Foster Crusade For Free Press For World

Kent Cooper, General Manager of the Associated Press, expressed the hope on April 19 that, when the day of peace comes, the press of all countries will seek the right to give the people the truth and urged that the press of this country "ought to crusade to prove to all the world that a free press is a heritage of the people and that with it the people can maintain their freedom."

In his address before the annual luncheon in New York City of the organization, Mr. Cooper said that while peace seemed a long way off, "nevertheless, it is the very nature of the heart of a nation that did not want war to yearn for peace." Mr. Cooper further declared:

"Thus the people of such a nation, even from the day it declares war, begin to contemplate the terms of peace. The longer the war the more agitated become the discussions of what the peace shall provide.

"Finally comes the peace conference, where heretofore all interests have had their representatives making demands except the press, whose representatives are there only as reporters. Never at the end of any war in history has an organized effort of the newspaper men of any nation demanded that a peace treaty contain a clause affecting any element of the news business. An experiment in that direction in connection with the next peace treaty would, therefore, be as interesting as it would be novel.

"It is too much to expect that news men will sit at the peace tables. Around those tables will be, as always, politicians and soldiers in the roles of statesmen. This in spite of the fact that it is doubtful whether any politician or soldier can have any better understanding of most of the causes of war than accomplished newspaper men of international experience. Certainly news men alone have competent knowledge of one cause of war concerning which I mean to be specific, namely, perverted presentation of international news, which is found in lands where the people are not free.

"If any other business were afforded an opportunity for so important a mission affecting its relation to the public welfare, it would do something about it. With such an opportunity and wishing for its continued security at home, I suggest that the press would do well to foster a crusade that the people of all countries may be granted what is a constitutional right here—namely, a free press which has served and preserved the rights of free men in this country of ours.

"Even if the effort could not gain any perceptible change in countries where governments control what the press may print, it surely could gain two important guaranties: first, that news at its source shall be freely available to all news men everywhere; and, second, that no country shall give preferential transmission facilities to its own press as against the press of any other country. This means that correspondents of individual newspapers and press associations everywhere should have direct and equal access to the news of all governments, with equal facilities of transmission thereof to their own countries.

"In stating briefly how this would eradicate a cause of international friction, I do so only to emphasize what may be within the knowledge of all news men.

"Exclusive access to the news of governments can only be gained by a news service through its subordination to the government that affords such exclusive access. That means that the government's news story will be presented in only one way, the government's way, with the resulting perversion of the truth, when necessary, to serve the government purpose.

"Availability of news at the source, with the resulting competition in getting it and preparing it for publication, will lead to honesty in news, because with the source open to all, the liar cannot gain credence for his tainted news. Thus the truth can bring mutual understanding across international boundaries.

"This, then, is an expression of hope that whenever the day of peace shall come, the press of all countries will seek the right to give the people the truth. As surely as it has, through lack of interest, contributed to a cause of war, it should avail itself of this opportunity. And as for the press of this country, the strongest newspaper force ever developed in any nation ought to crusade to prove to all the world that a free press is a heritage of the people and that with it the people can maintain their freedom."

The designation of Frank B. Noyes, President of the Washington "Star" as honorary President of the Associated Press and of Mr. Cooper as Executive Director was announced on April 20 by the board of directors of the news association. In addition to other duties as executive director, Mr. Cooper continues the responsibilities heretofore carried by him as general manager.

Mr. Noyes retired as President of The Associated Press in 1938 after 38 years in that office.

Robert McLean of the Philadelphia "Bulletin" was re-elected President. Other officers elected were: Paul Bellamy, Cleveland "Plain Dealer," First Vice-President; Houston Harte, San Angelo (Tex.) "Standard-Times," Second Vice-President; Lloyd Stratton, Secretary, an office heretofore held by Mr. Cooper; L. F. Curtis, Treasurer; Frank J. Starzel, Assistant Secretary; Alan J. Gould, Assistant Treasurer.

The members of the executive committee elected in addition to Messrs. McLean, Bellamy and Noyes, are: Paul Patterson, Baltimore "Sun"; Stuart Perry, Adrian (Mich.) "Telegram"; Arthur Hays Sulzberger, New York "Times", and E. H. Butler, Buffalo (N. Y.) "News".

Methods For Saving Paper Suggested to WPB Staff

In a memorandum to the WPB staff on April 17, Chairman Nelson suggested immediate methods for curtailment of paper use within the Board, according to Associated Press accounts from Washington April 16, which reported the memorandum as saying:

"The paper shortage, and the fact that we have had to curtail the use of paper for magazines, newspapers, commercial printing and other such purposes, make it doubly necessary for WPB itself to set an example in saving paper.

"Government uses of paper are being studied. But there is no reason why we ourselves cannot see to it now that paper saving begins at home."

The press advices further state that among Mr. Nelson's suggestions were the following:

"No material should be printed, duplicated or mimeographed unless it will make a direct contribution to the war.

"Any contemplated forms, pamphlets, form letters, etc., should be carefully estimated in advance and the number ordered should be held to the minimum needed to accomplish the purpose.

"End of non-essential mailing.

"Reuse of all scrap paper, including obsolete office stationery.

"Use of both sides of paper whenever possible."

Japanese Executed Captured American Flyers, President Reveals

President Roosevelt announced on April 21 "with a feeling of deepest horror" that the Japanese Government has barbarously executed some of the crew members of the American planes falling into Japanese hands after the raid on Japan on April 18, 1942.

In his statement, which was released by the White House, the President said that "this Government has vigorously condemned this act of barbarity" and pledged that "the American Government will hold personally and officially responsible for these diabolical crimes all of those officers of the Japanese Government who have participated therein and will in due course bring these officers to justice."

"This recourse by our enemies to frightfulness is barbarous," said the President. "The effort of the Japanese war lords thus to intimidate us will utterly fail. It will make the American people more determined than ever to blot out the shameless militarism of Japan."

The State Department also made public on April 21 the text of its note to Japan strongly protesting Japan's violations of the Geneva Prisoners of War Convention in its treatment of the captured American aviators. The State Department gave solemn warnings that those responsible for these and any other acts of "criminal barbarity" will be punished severely.

The text of the President's statement follows:

It is with a feeling of deepest horror, which I know will be shared with all civilized peoples, that I have to announce the barbarous execution by the Japanese Government of some of the members of this country's armed forces who fell into Japanese hands as an incident of warfare.

The press has just carried the details of the American bombing of Japan a year ago. The crews of two of the American bombers were captured by the Japanese.

On October 19, 1942, this Government learned from Japanese radio broadcasts of the capture, trial and severe punishment of those Americans. Continued endeavor was made to obtain confirmation of those reports from Tokyo.

It was not until March 12, 1943, that the American Government received the communication given by the Japanese Government stating that these Americans had in fact been tried and the death penalty had been pronounced against them. It was further stated that the death penalty was commuted for some but that the sentence of death had been applied to others.

This Government has vigorously condemned this act of barbarity in a formal communication sent to the Japanese Government. In that communication this Government has informed the Japanese Government that the American Government will hold personally and officially responsible for these diabolical crimes all of those officers of the Japanese Government who have participated therein and will in due course bring those officers to justice.

This recourse by our enemies to frightfulness is barbarous. The effort of the Japanese war lords to intimidate us will utterly fail. It will make the American people more determined than ever to blot out the shameless militarism of Japan.

I have instructed the Department of State to make public the text of our communication to the Japanese Government.

The State Department's note follows:

The Government of the United States has received the reply of the Japanese Government conveyed under date of Feb. 17, 1943, to the Swiss Minister at Tokyo to the inquiry made by the Minister on behalf of the Government of the United States concerning the correctness of reports broadcast by the Japanese radio stations that the Japanese authorities intended to try before military tribunals American prisoners of war, for military operations, and to impose upon them severe penalties, including even the death penalty.

The Japanese Government states that it has tried the members of the crews of American planes who fell into Japanese hands after the raid on Japan on April 18 last, that they were sentenced to death and that, following commutation of the sentence for the larger number of them, the sentence of death was applied to certain of the accused.

The Government of the United States has subsequently been informed of the refusal of the Japanese Government to treat the remaining American aviators as prisoners of war, to divulge their names, to state the sentences imposed upon them or to permit visits to them by the Swiss Minister as representative of the protecting power for American interests.

The Japanese Government alleges that it has subjected the American aviators to this treatment because they intentionally bombed non-military installations and deliberately fired on civilians, and that the aviators admitted these acts.

The Government of the United States informs the Japanese Government that instructions to American armed forces have always ordered those forces to direct their attacks upon military objectives. The American forces participating in the attack on Japan had such instructions, and it is known that they did not deviate therefrom. The Government of the United States brands as false the charge that American aviators intentionally have attacked noncombatants anywhere.

With regard to the allegation of the Japanese Government that the American aviators admitted the acts of which the Japanese Government accuses them, there are numerous known instances in which Japanese official agencies have employed brutal and bestial methods in extorting alleged confessions from persons in their power. It is customary for those agencies to use statements obtained under torture, or alleged statements, in proceedings against the victims.

If the admissions alleged by the Japanese Government to have been made by the American aviators were in fact made, they could only have been extorted fabrications.

Moreover, the Japanese Government entered into a solemn obligation by agreement with the Government of the United States to observe the terms of the Geneva Prisoners of War Convention. Article I of that Convention provides for treatment as prisoners of war members of armies and of persons captured in the course of military operations at sea or in the air. Article LX provides that upon the opening of a judicial proceeding directed against a prisoner of war, the representative of the protecting power shall be given notice thereof at least three weeks prior to the trial and of the names and charges against the prisoners who are to be tried. Article LXI provides that no prisoner may be obliged to admit himself guilty of the act of which he is accused.

Article LXII provides that the accused shall have the assistance of qualified counsel of his choice and that a representative of the protecting power shall be permitted to attend the trial. Article LXV provides that sentence pronounced against the prisoners shall be communicated to the protecting power immediately. Article LXVI provides, in the event that the death penalty is pronounced, that the details as to the nature and circumstances of the offense shall be communicated to the protecting power, for transmission to the power in whose forces the prisoner served, and that the sentence shall not be executed before the expiration of a period of at least three months after such communication. The Japanese Government has not complied with any of these provisions in its treatment of the captured American aviators.

The Government of the United States calls again upon the Japanese Government to carry out its agreement to observe the provisions of the Convention by communicating to the Swiss Minister at Tokyo the charges and sentences imposed upon the American aviators, by permitting the Swiss representatives to visit those now held in prison, by restoring to those aviators the full rights to which they are entitled under the Prisoners of War Convention, and by informing the Minister of the names and disposition or place of burial of the bodies of any of the aviators against whom sentence of death has been carried out.

If, as would appear from its communications under reference, the Japanese Government has descended to such acts of barbarity and manifestations of depravity as to murder in cold blood uniformed members of the American armed forces made prisoners as an incident of warfare, the American Government will hold personally and officially responsible for those deliberate crimes all of those officers of the Japanese Government who have participated in their commitment and will in due course bring those officers to justice.

The American Government also solemnly warns the Japanese Government that for any other violations of its undertakings as regards American prisoners of war or for any other acts of criminal barbarity inflicted upon American prisoners in violation of the Rules of Warfare accepted and practiced by civilized nations, as military operations now in progress draw to their inexorable and inevitable conclusion, the American Government will visit upon the officers of the Japanese Government responsible for such uncivilized and inhumane acts the punishment they deserve.

Montgomery Ward Defends Labor Policy

Sewell L. Avery, Chairman of the Board of Montgomery Ward & Co., at the stockholders' annual meating held on April 23 defended the company's labor policy and predicted that the people would eventually free the nation from what he termed the coercive practices of labor unions. He reiterated the company's firm opposition to the closed shop, and asserted the company is "opposed to all forms of compulsory union membership and that every employee is as free to join or not to join a union without fear of losing his job."

Mr. Avery declared that the company, in its resistance to union demands for a maintenance-of-membership agreement and certain other concessions and in its court fight against the National War Labor Board, "has spoken the heart of millions."

"When the people awaken to the degree of outright coercion put on big corporations to force them into unions they will rise and free the nation from this robber of liberty," he said.

Nationwide Job Stabilization Approved In Principle By War Manpower Commission

The Management-Labor Committee of the War Manpower Commission will study plans to apply the wage stabilization program throughout the nation, Chairman Paul V. McNutt disclosed on April 26.

Under present regulations workers in 67 areas in which WMC stabilization plans are in effect may shift to new jobs at higher wages if the transfer is in the interest of the war effort, but workers in areas not governed by a stabilization plan are forbidden to change jobs. Since about 80% of the country is not included in the stabilization area plan, C. I. O. President Philip Murray contended that the regulations are "undemocratic." The principle of nation-wide stabilization was tentatively endorsed to meet such objections. Adoption of a basic program would enable workers anywhere to transfer to higher-paid jobs if they are dismissed, laid off indefinitely or not used full-time at their highest skill, but would provide communities throughout the country with an incentive to adopt local stabilization programs in order to get the benefit of more liberal terms.

Other methods under consideration, it was stated by Deputy WMC Chairman Fowler V. Harper, are the establishment of a separate stabilization plan for each employment region, and revision of the regulation to permit the United States employment service in non-plan areas to approve job shifts at higher wages which would be in the interest of the war effort.

The first large-scale stabilization order issued by the War Manpower Commission, effective April 25, froze about 600,000 male civilian workers in both essential and non-essential industries in the Louisville area. Though not affected directly by the order, many skilled women workers are subject to prior regulations governing critical skilled labor, it was said by the area director, Harry H. Hansborough, Jr.

The WMC's regulations virtually freezing 27,000,000 workers in their essential jobs were given in these columns April 22, page 1497.

New Form of Agreement For Guaranteed War Production Loans

The Board of Governors of the Federal Reserve System announced on April 19 that a new standard form of guarantee agreement, dated April 6, 1943, has been adopted by the War Department, Navy Department, and United States Maritime Commission after consultation with the Reserve Board and others, for uniform use in guaranteeing loans for war production purposes pursuant to the President's Executive Order 9112 of March 26, 1942, and the Board's Regulation V. The new form of agreement incorporates, in large measure, the substance of the form heretofore in use and the general intent of the agreement remains the same.

The Board's announcement added:

"To March 31, 1943, i.e., during the first year of operations under Executive Order 9112 and the Reserve Board's Regulation V, the War Department, Navy Department and Maritime Commission, acting through the Federal Reserve Banks, authorized 3.534 guarantees for war production loans totaling $3,725,741,000. According to preliminary figures received from the Federal Reserve Banks, advances to borrowers on guaranteed loans amounted to $2,224,688,000, of which $979,682,000 was repaid, leaving unpaid balances of $1,245,006,000 on March 31. The guaranteed portions of loans outstanding aggregated $998,764,000, or 80% on the average. In addition to the amounts outstanding on March 31, $1,866,302,000 was available to borrowers under guarantee agreements in force.

"About 39% of all loans for which guarantees were authorized were for amounts of not more than $50,000 and 55% were for amounts of not more than $100,000."

The Board presented the following table:

Amount of loan—	% total number	Cumul. %
Up to $5,000	4.6	4.6
$5,001 to $10,000	6.1	10.7
$10,001 to $25,000	13.3	24.0
$25,001 to $50,000	14.6	38.6
$50,001 to $100,000	16.6	55.2
$100,001 to $250,000	16.4	71.6
$250,001 to $500,000	10.6	82.2
$500,001 to $1,000,000	7.1	89.3
$1,000,001 to $5,000,000	8.3	97.6
$5,000,001 to $10,000,000	1.2	98.8
$10,000,001 to $25,000,000	.7	99.5
$25,000,001 to $50,000,000	.3	99.8
Over $50,000,000	.2	100.0

Earnings, Man Hours, Pay Reach New Peaks

Earnings, employment, manhours and payrolls in February exceeded all previous peak levels in the 25 manufacturing industries surveyed each month by the National Industrial Conference Board.

The Conference Board on April 22 further explained:

"Hours worked per week rose 0.2 hours or 0.5% in February. The work week of 44.5 hours was 5% longer than in February of last year and 7.9% shorter than in 1929.

"Average hourly earnings of all wage earners in the 25 manufacturing industries rose for the 31st consecutive month in February. At $0.982, they were 0.3% higher than in January, 11.6% above February, 1942, and 29.4% above the January, 1941, level.

"The weekly pay envelope of the average manufacturing worker in February contained $43.91, or 0.8% more than in January, 17.0% more than in February, 1942, and 53.8% more than in 1929. This advance in the weekly return resulted both from longer working hours and higher hourly earnings.

"Real weekly earnings rose 0.4% above the Jan. peak level and and reached a new high level for series. This purchasing power of the manufacturing wage earner's weekly income was 21.2% greater in February than it had been in January, 1941, despite the 18.4% increase in living costs that occurred in this period. It was 9.3% above February, 1942 and 51.2% higher than in 1929.

"Employment rose in February for the 14th consecutive month and reached a new peak level for the series. Since the previous month, 0.9% more persons have been employed in the 25 manufacturing industries, and since January, 1941, the employment increase has amounted to 35.3%. In February of this year it was 14.6% above a year earlier and 46.1% above 1929.

"The index of total man-hours, which reflects changes in hours worked as well as in employment, also attained a new peak in February. At 133.4 (1923=100), it exceeded the January index by 1.3%, the February, 1942, by 20.2% and that of January, 1941, by 49.7%.

"The payroll index, which is influenced by changes in hourly earnings, average hours worked per week and the number of workers, rose 1.7% in February. It exceeded the February, 1942, level by 34.1%, the January, 1941, level by 94% and was higher than in any other month since these surveys were initiated.

A Safe Haven For Investment Funds

Individual investors, trustees and other* fiduciaries interested in becoming acquainted with the Federally insured investment opportunities offered by savings and loan associations should write for current explanatory literature to the associations mentioned below. When doing so please mention the "Chronicle."

- **Atkins Savings & Loan Association**
  159 East Market Street, Indianapolis, Ind.
- **Citizens Federal Savings and Loan Association**
  5272 Hohman Avenue, Hammond, Ind.
- **First Federal Savings and Loan Association of East Chicago**
  Calumet Building, East Chicago, Ind.
- **First Federal Savings and Loan Association of Gary**
  525 Broadway, Gary, Ind.
- **Fletcher Avenue Saving and Loan Association**
  150 East Market Street, Indianapolis, Ind.
- **Mid Kansas Federal Savings and Loan Association**
  215 South William Street, Wichita, Kans.
- **Northwestern Federal Savings & Loan Association**
  823 Marquette Avenue, Minneapolis, Minn.
- **Railroadmen's Federal Savings & Loan Association**
  21 Virginia Avenue, Indianapolis, Ind.
- **St. Paul Federal Savings and Loan Association**
  Fourth at Wabasha Street, St. Paul, Minn.
- **Standard Federal Savings and Loan Association**
  735 South Olive Street, Los Angeles, Calif.
- **Union Federal Savings and Loan Association**
  160 East Market Street, Indianapolis, Ind.

*Guardians, insurance companies, State, school and municipal sinking funds firemen's, police and other pension funds, etc.

House Group Favors Trade Pacts Renewal—McNary Favors Congressional Right To Veto

(Continued from first page)

give the Congress power to disapprove these agreements with other nations.

"'If any amendment were adopted which tended to restrict the Government in further dealings with other nations, these other nations will say that the Congress has now limited the basis upon which we have heretofore operated.'"

On April 25 a demand made by the Republican leader of the Senate, Mr. McNary, that Congress assume veto powers over reciprocal trade agreements, tightened the lines for the fight presaged over the question of renewing the Administration's authority to negotiate such agreements, it was stated in Washington Associated Press accounts, from which we also quote:

Mr. McNary told reporters that "prolonged political debate" could be avoided and the renewal granted speedily if the Administration would agree to give Congress the right to nullify within 60 days by majority vote any agreement it did not approve. Otherwise, he said, "it may be argued that it is distinctly undemocratic to prohibit Congress from expressing the popular will."

Senator McNary said he had learned "with surprise and disapproval" the viewpoint "of some of the New Deal leaders that the war effort of the United Nations might crack if Congress changed one word in the present Trade Agreements Act."

"That implication is unworthy of our Allies," he added.

Expressing disbelief that action by Congress to amend the Trade Agreements Act would affect the Allies' attitude in fighting the war, Senator McNary added:

"We have been told and many of us believe that they (our Allies) are fighting to liberate mankind. Therefore it is inconceivable that Russia, England and China would desert us and their high objectives because the people of America, speaking through the Congress, ask that the trade agreements be ratified before becoming effective.

"A sound and sane argument can be made for the present renewal of the act and for that reason I am persuaded that an extension of the act, with a slight modification, is desirable.

"It may be argued that it is distinctly undemocratic to prohibit Congress from expressing the popular will. Consequently, an amendment might well be written into the resolution to extend the act, giving Congress the right to veto by a majority vote any treaty within 60 days following its submission.

"If an agreement of that kind could be reached with the State Department, it is my opinion that the act would be extended with the absence of prolonged political debate."

An extension of the Reciprocal Trade Agreements Act, continuing the Administration's program without change in its present form, is favored by at least 40 Senators while 19 Senators either oppose the program or demand substantial amendments, according to an Associated Press poll, made public on April 24.

Since there are 96 members, the Senate's decision on renewal of the authority, which expires June 12, thus apparently rests with the 37 Senators who either declined to commit themselves or, in six cases, could not be reached for comment.

The Associated Press account further said:

"Thus far the Administration has made no public more to compromise the form of the legislation, which provides for agreements under which tariffs can be reduced as much as 50% in return for reciprocal reductions by foreign nations. Under the most-favored-nation clause, other countries which do not discriminate against American trade can enjoy the same advantages.

"As the law now stands, the agreements are not subject to approval by Congress. A change in this provision is demanded by a substantial number of Senators listed as opposed to continuance in the present form. The change also is favored by some of those who said they will vote for renewal of the act as it stands.

"The 40 Senators willing to renew include 33 Democrats and 7 Republicans. They represent a group only nine short of a majority of the Senate. However, several of the Republicans, as well as some of the Democrats, made it clear they are willing to go along on an unamended renewal only because of war conditions.

"The poll showed that there is little question a majority can be mustered in the Senate to extend the trade agreements authority in some form. Whether the result is entirely satisfactory to the Administration apparently will depend largely on what, if any, amendments are made.

"The House is expected to vote on the question first. If, for instance, it agrees to the three-year extension without amending the measure to permit Congress to nullify agreements which it did not approve, then the Administration must find nine votes among the uncommitted Senators—17 Democrats, 19 Republicans and a Progressive—if all 96 Senators are present to vote on the issue.

"The existence of such a large uncommitted group cast some doubt on the outcome, but Administration lieutenants appeared confident they could get the votes in the Senate to continue the program without change."

Secretary of State Hull, in a statement issued April 24, called for "a clear-cut continuance of the trade agreements act for the customary three-year period as proposed in the pending legislation, particularly at this time when we are most concerned that there may not be the slightest basis for doubt in any one's mind concerning our steadfast determination to co-operate fully with like-minded nations in peace as well as in war."

What Mr. Willkie Forgot To Remember

(Continued from first page)

work our way. They still have their generalissimos, their up-from-nothing communal ideas.

The airplane which brings them closer only carries us to them—if you happen to be going in that direction—much more speedily than before, providing you have the money or influence to get a ride. Perhaps this communication facility will eventually bring them around to our beliefs. Perhaps the Buddhists of India and China will be converted to Christianity in the end, or perhaps they may convert us.

When you get right down to it, Mr. Willkie has developed a mechanical fact into a political argument. We have lived next door to Mexico for generations. You could hop there over night, even before Mr. Willkie went around the world in an army plane under Mr. Roosevelt's auspices.

But that did not bring Mexico any nearer to our way of thinking, our Constitution or even our business methods. Fast transportation may have helped a little, but every one still knows today that Mexico is not the United States.

I know these observations may not be popularly accepted. Mr. Willkie's book is supposed to have sold nearly 400,000 copies, and the dope in the publishers' trade is that it will sell 1,500,000 before next summer.

People apparently like it, and it is in truth a fair, restrained argument based on his very interesting experiences. It is a valuable book for these reasons.

Yet Mr. Willkie in his new discovery (my friend says Lindbergh really discovered it when he flew to Paris) is obviously reaching far beyond the facts of his revelation, and is accepting as true something which isn't.

My friend concludes that Mr. Willkie is just running for the White House in 1944 with all his might, literary, aeronautic and otherwise, and that he has concocted a plausible fable out of his magnificent adventures, which people are buying in large quantities.

As a fundemental truth, no matter where Mr. Willkie, or any one else tries to lead us, he cannot change the leopard's spots. Contrary agitation in this country is not needed.

In the Peace Conference Mr. Willkie, et. al., will discover China is still China and Russia is still Russia, no matter how fast you can get there. This may be "one world," as it has always been, but it is still made up of a lot of different, competitive, eagerly commercial, inherently nationalistic people.

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Dependable Foreign Exchange System Necessary To Post War Functioning Of Private Enterprise

Must Be Provided By Gov't, Says J. Spencer Smith

If the Government expects private enterprise to help revive world prosperity through foreign commerce after the war, it first must provide a stable, dependable foreign exchange system, according to J. Spencer Smith, President of the Tenafly (N. J.) Trust Co. Mr. Smith, who is also Vice-President and Director of the First Federal Savings and Loan Association of New York, President of the State of New Jersey Board of Commerce and Navigation and Treasurer of the Interstate Sanitation Commission, made these remarks in an address on April 16 before the Theatre Assembly of New York at the Hotel Astor.

Sumner Welles, Under Secretary of State, in an address in New York on April 1, said Mr. Smith, declared that international trade was essential for world prosperity and warned that the Government might take over all foreign trading if private initiative failed to restore it. In the published reports of his speech, however, said Mr. Smith, the Under Secretary offered no suggestions how private enterprise could engage in foreign trade again until the Government would grant it the first requisite for such trading, a sound, simple foreign exchange policy that will facilitate rather than prevent or complicate international commerce.

Commenting on the world currency stabilization proposals subsequently advanced by the United States and British Treasuries, Mr. Smith explained why it was advisable that an international stabilization agreement be effected before the end of the war. Without such an agreement he said the advent of peace would find international trade almost an impossibility because of uncertain and chaotic foreign exchange conditions. There would be no yardstick for measuring the value of one fluctuating, artificially controlled and Government-manipulated currency against another, said Mr. Smith.

Through financial crises since time immemorial, Mr. Smith stated, gold has been the one universal, unsurpassable medium of exchange, whether official or unofficial, and it is significant that both the British and American stabilization plans contemplate the creation of some form of an international gold standard.

However, he said, both plans have complicated elements compared with a simple method for achieving world currency stabilization, and a speedy revival of foreign trade, if the United States and Great Britain would merely agree upon the respective gold contents of the dollar and the pound and the price they would pay for all gold, and Congress and Parliament would enact the points of such an agreement as law.

This, he said, would immediately stabilize and integrate both these major world currencies on a gold basis, and the stabilization of all other currencies would soon follow, as they inevitably attach themselves to either the dollar or the pound.

Comparatively speaking, Mr. Smith stated, the so-called Keynes and White plans might be described as hothouse plants that would require constant tender care and protection from the slightest draft. On the other hand, he said, the simple declaration of a fixed, unchanging gold content of the dollar and the pound would represent a hardy, outdoor plant, soundly rooted and capable of weathering changing conditions in its stride without artificial protection or fear that it would expire in the first breeze.

Innocent Overcharges Held No Basis For Injunction By OPA

Denying a temporary injunction sought by the Office of Price Administration against the Chicago meat wholesale firm of M. Mannebach for violation of OPA regulations, Judge Michael L. Igoe ruled on March 20 that the overcharges involved were innocent errors and asserted that the OPA "must realize that they haven't exclusive rights on all the patriotism in America," and "should not use the injunction process in cases of confusion and innocent error."

As reported in a special dispatch to the New York "Times," the OPA contended that the injunction is its only recourse in thousands of cases of price violations and quoted a provision of the Price Control Act of 1942 to the effect that injunctions should be issued where violations are shown in court or where it is shown that a violation is about to occur.

Twelve violations charged against the Mannebach firm between Dec. 16, when the OPA regulations took effect, and Feb. 27, were shown by defense attorney Harry L. Rudnick to represent .0005 of 1% of the company's gross business.

The advices to the "Times" stated:

"The OPA should not use the injunction process in cases of confusion and innocent error," Judge Igoe said. He indicated that he would not issue injunctions against business men who made errors in good faith while attempting to follow OPA regulations. . . .

"Harry L. Rudnick, defense attorney, said the company admitted not only the violations charged but eight others besides, and said that all were innocent errors and that the firm was trying to comply with the OPA edicts.

"Mr. Rudnick also declared that the company had voluntarily audited its accounts when advised it was suspected of the violations and had discovered that it had undercharged customers $189.02 during the same period in making similar errors."

Whiteside Named WPB Civilian Supply Head

Arthur B. Whiteside, President of Dun & Bradstreet, Inc., assumed his new duties as Vice-Chairman of the War Production Board in charge of civilian requirements on April 21.

In announcing the appointment on April 15, WPB Chairman Donald M. Nelson said that Mr. Whiteside would report directly on civilian needs to him and not through his Executive Vice-Chairman, Charles E. Wilson. Mr. Nelson also expressed the hope that Joseph L. Weiner, Director of the present Office of Civilian Supply, would remain in the new organization.

At a press conference on April 21, Mr. Whiteside said that he did not see any reason for separating the civilian supply agency from the WPB. There is a bill now pending before the Senate seeking to establish an independent civilian supply administration outside the WPB.

St. Louis Reserve Bank Elects New Officers

The Board of Directors of the Federal Reserve Bank of St. Louis, at its meeting on April 2, granted Chester C. Davis, President of the Bank, an indefinite leave of absence because of his recent appointment as United States Administrator of Food Production and Distribution. Under the law, the First Vice-President, F. Guy Hitt, will service as chief executive officer of the Bank during the absence of the President. The action of President Roosevelt on March 25 in "drafting" Mr. Davis to serve as Administrator of the newly created Administration of Food Production and Distributioin in the Department of Agriculture, was noted in our April 1 issue, page 1215.

In its announcement of April 2, the St. Louis Reserve Bank also stated that Henry H. Edmiston was elected Vice-President at the meeting. Mr. Edmiston has been associated with the bank since May, 1941, as Assistant Vice-President and economic advisor. He was born at Columbia, Mo., in 1907, and was educated in the public schools of St. Louis. He received an A.B. degree at the University of Missouri and an A.M. degree at Washington University in St. Louis. Later he did graduate work in economics at Yale University, where he was an instructor, and at the Brookings Institution in Washington. He served as assistant to Marriner S. Eccles at the Treasury and at the Board of Governors of the Federal Reserve System. Before becoming associated with the Bank, he was a senior member of the staff of the Board's Division of Research and Statistics.

The three Assistant Cashiers, S. F. Gilmore, F. N. Hall, and G. O. Hollocher, who have been associated with the Bank for many years, were promted to Assistant Vice-Presidents.

New Rand McNally Bank Directory Ready

The banks of the United States continue to grow stronger in total resources—a trend which has held steady for the past 10 years, with the exception of a "momentary" drop in 1937. This is disclosed by a study of the figures in the First 1943 Edition of Rand McNally Bankers Directory, just published.

Deposits, surplus, total resources, cash, and Government bonds all have reached new all-time highs. With 14,903 national and State banks and trust companies reporting as of Dec. 31, 1942, total deposits were $100,905,160,000; total resources $110,080,044,000, and Government securities $45,986,649,000.

The "Blue Book" figures also disclose that an additional 56 banks increased their total resources to $25,000,000 or over in the last half of 1942 to make a total of 390 in this "big Bank" classification.

The first 1943 edition of the "Blue Book," revised to March, 1943, and containing 2,604 pages of banking and financial information, includes the latest available statements, new executive personnel and directors' lists, nearest banking points to all non-bank towns, a five-year list of discontinued bank titles, all bank associations and Government banking agencies and the FDIC status of all banks. A separate bound book listing the attorneys for every bank town accompanies each copy of the directory. Latest maps of each State and all foreign countries adds a great deal to the information and reference value of the book.

Wage Rate Inequities Under Study By WLB

The War Labor Board has been asked by both its CIO and AFL members to request James F. Byrnes, Economic Stabilization Director, to restore to the board the authority over wage inequalities which was given to him under President Roosevelt's recent anti-inflation order, according to Washington dispatches of April 17.

In the first case arising under the "hold-the-line" order, the CIO and the AFL members, in separate opinions, concurred in the decision of the War Labor Board reducing from 5½c to 2c an hour a wage increase award over the basic 72½c rate to the employes of the Universal Atlas Cement Co., Universal, Pa. The CIO members, Van A. Bittner and John Brophy, had previously wired officers of the Union of Mine, Mill & Smelter Workers (CIO) that the walkout of 500 cement workers violated labor's no-strike pledge following Pearl Harbor, and the strikers returned to work on April 19. Both AFL and CIO members stated that the Board's decision was unjust and argued that it is just as important to maintain the morale of the workers as to keep prices down. The CIO officials stated that "freezing of gross inequities will neither secure stabilization nor promote production."

George W. Taylor, Vice Chairman of the War Labor Board, is expected to recommend that the Board be permitted to deal with gross wage inequities which could be regarded as injurious to the war effort.

President Stresses Need For Free Press

President Roosevelt, in a message to "The New Leader," weekly publication, on the occasion of its 20th anniversary, emphasized the need for "constant vigilance" to safeguard freedom of the press. The President's message follows:

"Your newspaper reaches its 20th anniversary of its establishment at a time of grave crisis in the affairs of the nation and of the world. In once happy lands, now temporarily enslaved by our enemies, the freedoms under which we have found all of our happiness as a nation have been ruthlessly suppressed.

"Over wide areas of the earth freedom of the press is now but a bitter memory. Our four freedoms supplement and support each other under the democratic way of life. It follows, therefore, that all free institutions are endangered by any encroachment on liberty of speech or of the press.

"This should emphasize anew to all of us the necessity for constant vigilance which now, as always, is the price of liberty and particularly liberty of the press. That is my message to you as you complete your second decade"

FDR Lauds Norway Spirit

President Roosevelt, on the third anniversary of the invasion of Norway, paid tribute on April 10 to the Norwegian spirit and democratic will to win the war.

In a preface to a booklet called "After Three Years," issued by the Norwegian Embassy, the President according to the New York "Herald Tribune" said:

"If there is any one who still wonders why this war is being fought, let him look to Norway. If there is any one who has any delusions that this war could have been averted, let him look to Norway. And if there is any one who doubts of the democratic will to win, again I say, let him look to Norway. He will find in Norway, at once conquered and unconquerable, the answer to his questioning."

NYC Peddling Law Is Held Unconstitutional

The Court of Appeals on April 15 held in a 4-3 decision that the New York City law which forbids itinerant peddling except under an open-air market license is unconstitutional. When adopted in December, 1941, the law was intended "to prevent unfair competition by itinerant peddlers with storekeepers who pay rent and various taxes," it was stated by Judge Irving Lehman, who wrote the prevailing opinion sustaining the decision by the Appellate Division in the Good Humor Corporation case. As pointed out in the "Herald Tribune" Albany advices, April 16, the state's highest court held that the facts showed conclusively "that the business of peddling is lawful when conducted in a manner which does not injure or annoy the public or impede traffic upon the streets; that peddling can be so conducted and is so conducted by the plaintiff."

From the "Herald Tribune" we also quote:

"Associate Judges John T. Loughran, Harlan W. Rippey and Charles S. Desmond concurred in Judge Lehman's opinion, while Associate Judge Edward R. Finch dissented in an opinion which was concurred in by Associate Judges Edmund H. Lewis and Albert Conway. The majority opinion upheld an Appellate Division decision.

"Judge Lehman brought out in his opinion that the object of the city's anti-peddling law was described by the General Welfare Committee of the City Council when it was adopted in December, 1941, as designed 'to prevent unfair competition by itinerant peddlers with storekeepers who pay rent and various taxes.'

"We need not now pause," he stated, "to define the exact limits of the legislative power of a city to adopt local laws 'in relation to the care, management and use of its streets.' Certainly that power is not broad enough to prohibit use of the streets for a lawful business, recognized by statute, for the sole purpose of protecting rentpayers and taxpayers against competition from others who do not pay rent or taxes. The object of the local laws as declared in the report of the Committee on General Welfare is not an object which a city has constitutional power to make effective."

Number Of Men In Life Insurance Business Down 17% in First War-Year

A survey of the manpower situation in the life insurance business, made by the Institute of Life Insurance, shows that by the end of the first year of the war the total number of men engaged in the business had decreased 30,000, or 17%, to 145,000, as compared with 175,000 employed in January, 1940, when employment conditions were more normal. The number of women employed, in contrast, rose during the period from 70,000 to 75,300. In December, 1942, women constituted 34.2% of the total personnel engaged in the business, as compared with 28.6% in January, 1940. The advices from the Institute on April 15 also had the following to say:

"While the total number of employees and full-time agents was declining from 245,000 to 220,300, the Institute points out, the aggregate of life insurance in force expanded approximately 15% from $114,000,000,000 to $130,000,000,000, involving a substantial increase in the basic requirements for policyholder service.

"Withdrawals for service in the armed forces, the Government and war production industries are reported as 37,400, made up of 31,100 men and 6,300 women. These withdrawals have registered varying impacts upon the different divisions of the business. They have been heaviest in the case of the home office staffs, but here replacements have been more readily available than in the agency forces where the greatest net loss in personnel has occurred.

"Of the 31,100 men who left the life insurance business to go into war service by the end of the first year of war, 20,300 had joined the armed forces. Enlistments or inductions took 8,500 from the home offices, 1,600 from the branch offices and 10,200 from the field forces, of whom 5,200 were agents handling ordinary life insurance exclusively and 5,000 were industrial agents. The number of life insurance men in the armed forces has substantially increased in the last four months due to heavy inductions.

"The life insurance business has also contributed 1,900 men to Government service while 8,900 employees and agents have withdrawn to engage in war production.

"Of the women entering war industry, 6,100 were from the home office and branch office staffs and 200 were agents."

Raise For Postal Employes

President Roosevelt signed on April 9 a bill providing for pay increases for postal employees, effective until June 30, 1945.

The measure passed the House on March 16 and the Senate, in amended form, on March 26. The House concurred in the Senate changes on March 27.

The following regarding the bill is from Associated Press Washington advices of April 9:

"An average increase of $25 per month, or $300 per year, is provided for postal employees in the field service, with a provision that those paid on an hourly, fee, part-time, or per diem basis, together with fourth-class postmasters and special-delivery messengers, shall get an increase of 15%, or not over $300 a year extra.

"The percentage increase for the four-class postmasters and special-delivery messengers also applies to clerks at third-class post-offices, charmen and charwomen, substitute and temporary employees, clerical-mechanical employees, skilled tradesmen in the mail-equipment shops and rural delivery carriers serving one tri-weekly route.

"Rural delivery carriers serving two tri-weekly routes are on a full-time basis and come under the provisions of the bill providing for an average increase of $25 per month.

"Provision is also made for a 15% increase in the allowance to third-class postmasters for clerk hire, this amount not to exceed $500."

Hoffman Will Address Industrial Advertisers

Paul G. Hoffman, Chairman of the Board of Trustees of the Committee for Economic Development, will address the luncheon session of the National Industrial Advertisers Association Atlantic Regional Conference on May 7, at the Biltmore Hotel, New York City. Mr. Hoffman is expected to outline the purposes behind the Committee for Economic Development and how the country is being organized to meet the problem of post-war employment. Mr. Hoffman is also President of The Studebaker Corporation, South Bend, Indiana. The all-day conference of industrial advertisers is being sponsored by chapters in the New England, New York City and Newark, N. J., areas. E. Scott Pattison of the G. M. Basford Co., New York, is Conference Chairman. Theme of the conference will be "Wartime Tactics—Post-War Strategy."

King Heads American Arbitration Association

The Executive Commitee of the American Arbitration Association announced on April 19 the appointment of Harry O. King, officer and director of a number of corporations, and at present Wartime Director of the Copper Division of the War Production Board and Chairman of the United States, United Kingdom and Canadian Copper Committee, as President of the Association, to succeed Cornelius Vanderbilt Whitney, now a Colonel in the U. S. Air Force.

In his acceptance, Mr. King stated his conviction that arbitration is today one of the vital forces in freeing war production from the shackles of delay through long, drawn-out controversy and dispute. The inclusion of the arbitration clause in war contracts, and in contracts between management and labor, he said, had already reduced slow-downs. Its increased use, he concluded, would be an important factor in winning the war, and in handling disputes during the post-war period.

Votes To Commission Women Doctors In Army And Navy

The Senate passed and sent to the White House on April 12 a bill to provide for the appointment of women physicians and surgeons in the Medical Corps of the Army and Navy. The measure was approved by the House on April 5.

The purpose of the bill is to authorize, during the present war and for six months thereafter, the appointment of licensed women physicians and surgeons in commissioned grades in the Army of the United States or the Naval Reserve. The numbers, qualifications, duties and assignments would be in accordance with regulations to be prescribed by the Secretary of War or the Secretary of the Navy. The bill authorizes the same pay and allowances, rights, privileges and benefits as are provided for members of the Officers' Reserve Corps of the Army and Naval Reserve of the Navy with the same grade and length of service. The bill limits persons appointed under its provisions to assignments in hospitals or other stations where women nurses are employed.

Daniel C. Roper Dies

Daniel C. Roper, former Secretary of Commerce, died on April 11 at his home in Washington. He was 76 years old.

Mr. Roper served as Secretary of Commerce in President Roosevelt's Cabinet from March, 1933, until December, 1938. He later was temporary Minister to Canada, serving from May until August, 1939, during the visit of King George VI and Queen Elizabeth of England.

The President and Secretary of State Hull on April 12 sent messages of condolence to Mrs. Roper.

A native of South Carolina, Mr. Roper began his career in Washington in 1894 as a clerk to the Senate Committee on Interstate Commerce. Between that time and 1920, he held several Federal appointive posts, among them being connections with the Commerce Department, the Census Bureau, as First Assistant Postmaster-General, as a member of the Tariff Commission and as Commissioner of Internal Revenue. In 1920 he resigned the latter post and through the succeeding Republican administrations practiced law in Washington.

Since his return to private life in 1939, Mr. Roper had practiced law in Washington.

NY Factory Jobs At All-Time High In Mar.

The New York State Department of Labor reported on April 17 that factory employment in the State reached the highest point on record in March. The Department reports that its index of employment was 160.1 (1935-39 100), the previous high point occurring 23 years ago in the same month. The advance in employment and payrolls from mid-February to mid-March amounted to 1.1% and 3.5% respectively. Payrolls were higher in all the major industrial groups; employment was greater in all except textile, lumber, leather goods and stone, clay and glass. The largest employment gains were reported by the chemical, furniture, apparel and the metals and machinery group.

The Department's announcement further stated:

"The above statements are based on preliminary tabulations made by the Division of Statistics and Information. These tabulations cover reports from 2,888 manufacturing firms throughout the State. The payroll index for March was 284.2, which is 31.4% above that for the same month a year ago; the employment index represents an increase of 10.1% over the figure for last year. Average weekly earnings were $44.20 (preliminary), as compared with $36.88 a year ago.

"The payroll advance of 9.2% in the apparel group is the resultant of large increases in the women's dress industry and relatively smaller gains in most other branches of the clothing group. Dress manufacturers hired many more workers in March. The women's coat and suit houses continued to be busy although there was a slight slackening of work. Firms making lingerie, blouses and men's and women's neckwear were busier than last month. Men's tailoring firms reported slight increases in personnel, although some of the larger ones laid off employees. Men's shirt and pajama manufacturers reported decreased employment and payrolls. Milliners and furriers increased production.

"In the chemical group, large employment increases among cosmetic and drug firms, as well as among those making disinfectants, fertilizers, linseed oil, soap and glycerine more than offset losses in paint, varnish and rayon plants. The net increase in employment for this group was 1.9%. Furniture factories making war materials reported increased employment and payrolls. Notable payroll advances in the printing industries were accounted for by overtime work in many plants engaged in production relating to the war effort. In the food group, canneries remained inactive, while ice cream and powdered milk plants, flour millers and sugar refiners stepped up production.

"In the textile group, cotton mills showed the greatest loss in employment, which was partially offset by gains in rayon and silk, woolen and carpet and rug factories. Decreased activity was noted among manufacturers of shoes, leather gloves, handbags and small leather goods. Producers of glass, cement, brick and pottery laid off emlpoyees, while plants making abrasives and insulators were busier.

"Among the war plants, notable increases were reported by those making ships, airplanes, instruments, communication and electrical equipment and armaments. Some tank builders laid off employees. Higher payrolls and longer hours indicated increased activity at steel mills, although employment decreased slightly. Tin can factories were busier and manufacturers of razor blades, cutlery and hardware took on additional help. In the metals and machinery group, employment and payrolls advanced 1.5% and 2.10% respectively.

All of the up-State industrial areas showed increases in employment during the past month except Binghamton-Endicott-Johnson City, where layoffs in the shoe industry caused a net decrease of less than 1%. Payrolls in Binghamton, however, were 1.9% higher. War plants in Syracuse continued to boom with the result that this district again showed the greatest increase in both employment and payrolls of any of the industrial areas in the State. During the past month, employment increased 2.9% and payrolls 5.8%. Compared with March a year ago Syracuse shows an increase of 18.0% in employment and 52.4 in payrolls. The war industries in the Buffalo and Albany-Schenectady-Troy areas accounted for increased employment and payrolls in both of these districts.

FDR Greets Republics On Pan American Day

President Roosevelt told the American Republics on April 13 to be of "good cheer" for "the determination of our peoples to resist aggression and overthrow the aggressors, as well as to keep our liberties secure, is firm and unbreakable."

"With this spirit and this resolve," he added, "we may look forward with confidence to ultimate victory."

The President's message was addressed to the Governing Board of the Pan American Union on the occasion of Pan American Day (April 14).

Mr. Roosevelt's message follows:

"Today, the people of the American republics join in celebrating an occasion that is peculiarly their own. It has given me profound satisfaction to observe from year to year the increasing significance attached in all the American republics to the observance of Pan American Day. This reflects the progress which has been made in recent years in converting the dreams and aspirations of the founders of our continental independence into effective and harmonious means for international cooperation.

"At Buenos Aires in 1936 and at Lima in 1938, the American republics foresaw the great struggle between freedom and slavery in which we are now engaged. At those historic conferences they provided for continental security through continental solidarity by devising a practical mechanism of consultation.

"Employing that mechanism in the subsequent meetings of their Ministers of Foreign Affairs—at Panama in 1939, at Havana in 1940, and at Rio de Janeiro in 1942 — they put forward joint recommendations which established the framework within which our system, first, of continental defense against aggression, and now of continental mobilization utterly to defeat the promoters of that aggression, was worked out.

"Each nation carrying out those recommendations, which represent the statesmanship and foresight of the leaders of the 21 American republics, will assure its place in the world-wide concert of free nations which will constitute the international society of the future.

"The United States is proud to be working shoulder to shoulder with its sister republics for the achievement of this great objective.

"To all those participating in the celebration of Pan American Day in North, Central and South America, I send warm greetings. You may all be of good cheer, for the determination of our peoples to resist aggression and overthrow the aggressors, as well as to keep our liberties secure, is firm and unbreakable. With this spirit and this resolve we may look forward with confidence to ultimate victory."

Factory Employment Reaches 16,000,000 For First Time

Manufacturing employment rose by about 160,000 during February bringing the total number at work in factories to the 16,000,000 level for the first time in the nation's history, the National Industrial Conference Board reported on April 20. In 1939 only 10,000,000 workers were engaged in manufacturing activities. At that time, 31 of every hundred civilian workers in non-agricultural activities were on factory payrolls. Currently 38 of every hundred civilians employed off the farm are factory workers.

The Conference Board, under date of April 20, further reported:

"Total employment during February rose by fully 900,000. Including men in uniform, the total number employed rose to 58,500,000, or nearly 8,000,000 more than a year ago. During these twelve months about 5,000,000 found employment in the military services, while a little less than half this number were added in manufacturing plants. Farm employment, however, was nearly 100,000 less than in February, 1942.

"As in previous months gains in factory employment were confined primarily to the heavy industries, particularly the transportation and machinery groups. Total employment in non-durable goods fell off slightly with small gains in the apparel field faling to offset a lower level of employment in the food industries. Leather, textiles, apparel, and paper were among the major manufacturing groups with a significantly lower level of employment than in 1942.

"Employment in construction and in trade, distribution and finance continued to recede and dropped sharply below 1941-1942 levels. The number at work on construction projects decreased by fully 200,000 during the month, and was a sixth lower than in the past two years. In the trade group employment was 350,000 below the previous year and nearly 200,000 under the 1941 total."

Canada Forces Labor Shift To War Work

Compulsory transfer of labor from industries of low essentiality to more essential employment has been adopted in Canada to avert threatened manpower shortages in some war industries and on farms, Labor Minister Humphrey Mitchell announced on April 25, in Ottawa. United Press advices from Ottawa on April 25, had the following to say about the order:

Authority for this has been given by two orders in council applying to all men subject to military call under the mobilization act.

The Labor Minister may forbid employers in specified industries from continuing to employ after a certain date persons in the age groups subject to military call unless a special permit is obtained. Where persons affected by the Labor Minister's order are found eligible for alternative high-priority work they will be referred to available vacancies and will not be granted permits to continue employment in a low-priority industry.

Compulsory transfer of labor will not be used to break strikes, it was made clear. No selective service officer is allowed to direct any persons to apply for employment which has been made available by a work stoppage due to a labor dispute.

Men Over 38 Must Quit Non-Deferrable Jobs

Maj. Gen. Lewis B. Hershey, Selective Service Director, said on April 3 that, beginning May 1, men in the 38-45 age group must leave the list of "non-deferrable" occupations or face the possibility of induction.

General Hershey said on April 5 that this rule will also apply to those men in the 38-45 age group who are being released from the Army.

Younger men of draft age had until April 1 to leave non-deferrable jobs or face induction, regardless of dependency status.

Although the armed services no longer are accepting men over 38 years, local draft boards were advised early in March to reclassify such men, according to dependency, occupational or other status, but not to call them.

General Hershey said on April 1 that he would like to postpone induction of fathers as long as possible, but acknowledged that calling them was likely to begin about July 1.

Regarding the War Manpower Commission's order of March 7, to draft boards to abolish the special 4-H classification for men between 38 and 45, an announcement stated:

"Registrants who are reclassified out of Class 4-H and who have no cause for deferment other than age will be placed in Class 1-A and will be the first men over 38 inducted if and when the armed forces determine they can be used in the military establishments.

"Those registrants who are reclassified out of Class 4-H and placed in Class 2-C or Class 3-C because of their agricultural occupation or endeavor prior to May 1, will be continued in those classes as long as they are necessary to agriculture if men over 38 are called for service. Other registrants reclassified after May 1 and placed in other classes will remain there, if men over 38 are called, only so long as men in their class would be deferred—as for example, normally not longer than six months if they are given a Class 2-A or Class 2-B deferment for occupation other than agricultural.

Foreign Ties Opposed "Unalterably" By DAR

The 52nd Continental Congress of the Daughters of the American Revolution, meeting at Cincinnati, Ohio, on April 19 went on record as being "unalterably opposed" to any political union of the United States with other nations which would deprive the Government of "free and independent action," said Associated Press advices from Cincinnati, on April 19, from which we also take the following:

One of a series of resolutions adopted likewise set forth these "basic principles" urged for incorporation in the post-war peace agreement:

1—Complete sovereignty for the United States in determining the strength of its military establishments on land, sea and air until such time as international limitation of armaments shall have become an undisputed fact;

2—The right of this Nation to determine its own immigration policy;

3—The continuance of the present policy of the United States in relation to its territorial possessions and

4—No abridgement of Constitutional guarantees to the citizens of the United States of America.

Declaring the principal objective of the American people to be the winning of the war in the briefest possible time, still another resolution condemned "strikes, absenteeism and selfish domination of boss racketeers, and incompetence and greed in political and industrial groups."

Retail Credit Men To Hold Wartime Conference May 16

A wartime conference of five pressing problem sessions, will be held by the Credit Management Division of the National Retail Dry Goods Association, during the four-day period, May 16-19, at Columbus, Ohio, it was announced on March 15. This will be the tenth in an annual series of similar national gatherings. Delegates will be addressed by several Government officials, and one or two nationally known business leaders, and one session will be devoted to retail credit selling in the period immediately following the end of the war. The conference will review studies and suggested solutions for some of the most challenging problems confronting retail credit sellers today.

The conference will examine various proposals, expected to be offered, for the cutting of their operations to an irreducible minimum, making the help thus saved available to the war effort—while at the same time maintaining a sound and adequate service to the buying public. There will be presented a series of reports on skeletinized billing, cycle billing, and a combination of both these methods. It is stated that in all probability the conference will recommend that the cycle billing amendment to Regulations W be changed to permit any store to adopt cycle billing — should the manpower shortage situation make such a change necessary. The Division is of the belief that the post-war period will witness the greatest boom in credit selling, that the country has ever experienced, and Conference plans call for the laying of the groundwork for the establishment of sounder credit policies for the months and years immediately following the war.

Govt. Payrolls Exceed Those In Manufacturing In 1939

Salaries and wages paid to all government employees, including Federal, State and local units and the armed services in 1942 slightly exceeded in the aggregate the combined salaries and wages paid in all manufacturing in 1939, according to the National Industrial Conference Board. The Board estimates the sums so paid to Government employees in 1942 at $13,500,000,000 exclusive of subsistence supplied members of the armed forces.

The number of persons on the payrolls of government at the beginning of February is estimated by the Board at 13,500,000. "On this basis," said the Board, under date of April 19, "about one of every four individuals employed in February derived his livelihood from government sources."

The total number of Federal civilan employees, according to the Board, is about the equivalent of all wage earners engaged in the construction of aircraft, ships and other transportation equipment, including those engaged in the automotive industries. Federal civilian payrolls are currently running at an annual rate in excess of $6,000,000,000, it adds. The Board further states that nearly 3,000,000 persons were reported engaged in civilian activities of the Federal Government at the beginning of February. The War and Navy Departments together reported 1,865,000 on their civilian payrolls, an increase of nearly 1,500,000 in the past two years, and of almost 1,000,000 since Pearl Harbor.

President Signs Bill Suspending FDIC Levy And Reserve Requirements On War Bond Bank Cash

President Roosevelt signed, on April 13, the bill suspending Federal Deposit Insurance Corp. assessments and reserve requirements in respect of balances in War Loan Deposit Accounts. The measure provides, in effect, that until six months after the cessation of hostilities in the present war, banks and trust companies qualified as special depositaries will not be required to pay the FDIC assessment on balances held by them in War Loan Deposit Accounts, or to maintain the reserves required by the Federal Reserve Act in respect of such balances. The legislation passed the Senate on March 2 and the House on April 8.

Enactment of the bill was favored by Secretary of the Treasury Morgenthau to facilitate the Treasury's war-financing program. The measure was also endorsed by Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, and Leo T. Crowley, Chairman of the FDIC.

The House Banking and Currency Committee, according to Washington advices to the "Wall Street Journal," in reporting the measure, said it was the Treasury's opinion that it will "bring about more widespread use of such deposits in war financing, will facilitate the sale of securities by the Treasury Department, will reduce the volume of open market Government bond selling by banks in order to create reserves in connection with bond selling campaigns and will reduce the ebb and flow of credits resulting from bond sales between the Federal Reserve banks and the private banking system."

Secretary Morgenthau's endorsement of the bill was contained in a letter to Representative Steagall, Chairman of the House Banking and Currency Committee, which read:

"The Treasury favors the enactment of this bill, and I recommend it for the favorable consideration of your Committee. The bill will enable the Treasury to conduct its war-financing program with a minimum of disturbance to the banking structure of the country. As you know, we are now raising funds through large periodic war-loan drives in lieu of more frequent issues. Under this practice huge sums of money are paid over to the Treasury and, through the facilities of Treasury war-loan accounts with banking institutions, these funds are left on deposit in the local communities in the interim between financing drives and are withdrawn from day to day as they are required to meet cash expenditures.

"Because of the relatively short time these funds remain on deposit in banking institutions and the fact that they are required to be secured 100% by the deposit of eligible collateral, many banks have been reluctant to accept such deposits, especially when they are required to pay the Federal Deposit Insurance Corp. insurance assessment and maintain reserves.

"In order to encourage such banks to maintain these funds on deposit until they are needed for Treasury expenditures, the pending bill would waive the Federal Deposit Insurance assessment and reserve requirements for the duration of the war and six months thereafter. The bill is an emergency war measure and is designed to facilitate our war financing."

Testifying on March 25 in support of legislation to exempt, for the duration, war loan deposits held by banks from FDIC insurance assessments, Mr. Crowley of the FDIC said:

"While there are comforting elements of strength in our situation, we must not close our eyes to those elements of weakness which may arise. Confidence in the banking system will be maintained so long as bank customers believe that the banks are kept sound through good management and supervision, and so long as they believe that the Federal Deposit Insurance Corporation is financially sound and properly administered."

The text of the amended law follows:

[Public Law —78th Congress]
[Chapter —1st Session]
[S. 700]
AN ACT

Suspending certain provisions of sections 12B and 19 of the Federal Reserve Act until six months after the cessation of hostilities in the present war as determined by proclamation of the President or concurrent resolution of the Congress.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of paragraph (1) of subsection (h) of section 12B of the Federal Reserve Act (U. S. C., title 12, sec. 264 (h) (1)), as amended, is hereby further amended by substituting a colon for the period at the end thereof and adding the following: "*And provided further*, That until six months after the cessation of hostilities in the present war as determined by proclamation of the President or concurrent resolution of the Congress any balance payable to the United States by any insured bank, whether represented by a deposit account or otherwise, arising solely as a result of subscriptions made by or through such insured bank for U. S. Government securities issued under authority of the Second Liberty Bond Act, as amended, shall be excluded from the definition of 'deposit' for the purpose of determining the assessment base."

Sec. 2. The last sentence of section 19 of the Federal Reserve Act (U. S. C., title 12, sec. 462a-1) be amended by substituting a colon for the period at the end thereof and by adding the following: "*Provided*, That until six months after the cessation of hostilities in the present war as determined by proclamation of the President or concurrent resolution of the Congress no deposit payable to the United States by any member bank arising solely as the result of subscriptions made by or through such member bank for United States Government securities issued under authority of the Second Liberty Bond Act, as amended, shall be subject to the reserve requirements of this section."

Approved, April 13, 1943.

Senate passage of this bill was noted in our issue of March 11, page 936. Mr. Crowley's testimony before the Senate Banking Committee was referred to in these columns March 4, page 843.

The Board of Governors of the Federal Reserve System on April 13 amended paragraph (b) of Section 2 of its Regulation D entitled "Reserves of Member Banks" so as to conform to the new Act.

In accordance with the amended law, Allan Sproul, President of the Federal Reserve Bank of New York, urged all banks and trust companies in the Second Federal Reserve District which are not now qualified to apply for designation as special depositaries, and all presently qualified depositaries to consider whether their present maximum qualifications are adequate to enable them to make full use of their accounts in making payment for subscriptions placed for their own account and for their customers during the Second War Loan and subsequent loans.

Conscript Norwegians To Fight For Nazis

Norwegian youths mobilized for labor service in Germany are being forcibly impressed into German military service on the war fronts, contrary to international law, it is reported from Oslo. The young men were mobilized to work in German industries for six months, but according to AP dispatches from Stockholm of April 16, they are being forced to surrender their Norwegian identification papers and to serve for the duration of the war. The most serious crisis in three years of Nazi rule has resulted from the suspected Nazi plan to send these men to the war fronts as rejected labor conscripts. The Norwegians are strongly resisting and increasing numbers have refused to report at mobilization centers.

"The Norwegians at home are mainly pursuing a policy of passive or underground resistance in the face of oppressive tactics resulting in the wholesale arrests of hostages for sabotage and the throttling of the clergy and educators.

"The mobilization was ordered ostensibly to get manpower for German industry and many Norwegions were reported sent to factories where employers have told authorties they have no use for them due to shortages of raw material, machinery and tools. Such a situation supported the belief that total mobilization actually is aimed at control of all Norwegian youth for outright military service."

Thousands of conscripted workers are being used to build fortifications and roads in northern Norway, and it is feared that the Nazis will deport Norwegian manpower to work in other occupied countries.

Spain Offers To Help Negotiate Peace

Urging the conclusion of peace before exhaustion overtakes all the belligerents, Count Francisco Gomez Jordana, the Foreign Minister of Spain, declared that Spain stands ready "to facilitate the reestablishment of peace on earth." In an address at Barcelona on April 16 on the 450th anniversary of the return of Columbus from his first voyage, Count Jordana warned the belligerents that they are too powerful for either side to destroy the other and expressed the hope that the Vatican and other neutrals would also "facilitate the coming of peace and collaborate in a post-war organization."

Spain desires to spare the world post-war "revolutionary convulsions." Count Jordana stated, but said that his country would continue to fight against Communism as a doctrine and a revolutionary organization, "for we see in it for tomorrow the gravest danger for Christian civilization and for the peace of the world."

The possibility of a negotiated or mediated peace with the Axis was promptly disclaimed in British and American comment on the Spanish appeal. Secretary of State Cordell Hull in his press conference reiterated the Allied terms of unconditional surrender stated at Casablanca by President Roosevelt and Prime Minister Churchill. In his weekly radio broadcast, Elmer Davis, Director of War Information, observed that more such peace feelers can be expected, some clearly instigated by the Axis, and some from genuinely worried neutrals, but said there is no reason to believe that Jordana was prompted by any other motive than Spanish interests.

Establishing Civilian Supply Agency Opposed By N. Y. Commerce And Industry Association

Says Business Can Meet Civil And Army Needs Efficiently Without More Government Control

Directors of the Commerce and Industry Association of New York on April 13 recorded their opposition to the passage of a bill to establish a civilian supply administration to study and survey problems of American small business. The bill, sponsored by Senator Maloney (Dem., Conn.), would separate the Office of Civilian Supply from the War Production Board and establish it as a separate agency to be set up under Economic Stabilization Director Byrnes.

In disapproving the proposed legislation, the Board of Directors accepted the report of the Association's Industrial Bureau, which contended that:

"1. The enactment of this bill would give the proposed Civilian Supply Administration very broad powers to seek any information it desired, close down or open up any individual business establishment that it wishes and otherwise to intervene generally between buyer and seller throughout the entire civilian economy at its own discretion.

"2. There is no indication in this bill as to how much such an 'administrator' could help the civilian supply situation except by going through the same processes of Government control of business which are involved in the operation of rules and regulations of other existing agencies.

"3. The chief reason advanced for this bill is the desire to preserve small business. To do so, we must preserve their individual ability to operate and to use their own initiative as freely as possible without Governmental middlemen in the shape of forms, regulations, costly legal determinations and delays and without making them dependent for their existence on Governmental subsidies. The establishment of still another agency to intervene in the operations of small and large business would appear to be a step in the wrong direction if that objective is to be met.

"4. The normal system of supply and demand operates faster than any other known mechanism to bring about the creation of needed supplies and services, and to effect their distribution to the areas of greatest need. This system is only slowed down and made hopelessly complicated and expensive when Government officials, through their regulations, indecisions and consequent enforced delays, unnecessarily interfere in this normal process of production and supply. Much that is sought to be corrected by this bill is the direct result of the confusing and conflicting activities of existing Government agencies.

"5. Civilian needs will be met more speedily and efficiently by willing, eager and able American business men if the materials to work with are available and if Governmental rules and regulations are such as to allow them to convert these materials into civilian supply. A 'Civilian Supply Administrator' does not actually supply any goods whatsoever.

"6. Therefore, the Commerce and Industry Association of New York opposes giving this broad grant of power to a new over-all administration as is recommended by this bill; and, further, it reaffirms its belief that American business, big and little, working together as it always has, will meet civilian needs and the needs of the armed forces more efficiently and completely without such additional Governmental control."

Thomas Jefferson Miley, Secretary of the Commerce and Industry Association, said copies of the report would be sent to Donald Nelson, Chairman of the War Production Board, who, it is stated, also opposes the proposed bill: Senators Robert F. Wagner and James M. Mead; the New York City delegation in the House of Representatives and other interested Federal agencies.

Realty Taxpayers Merit Hearing In Civic Affairs

With real estate shouldering more than half of the cost of local government it is unqualifiedly entitled to a hearing in matters of civic interest commensurate with the contribution it makes toward financing fiscal operations, according to statements made by Henry Bruere, in the current issue of the Mortgage Banker. Mr. Bruere, who is President of the Bowery Savings Bank of New York City, and is recognized as one of the nation's foremost authorities on real estate and property valuation, declared that the most important future problem of property owners has to do with the question of establishing proper relations between local governments and property owners.

"Real estate should not be exploited by a city government, unjustly taxed or treated as baneful as unhappily it often is. The very heart of the real estate problem in New York City, for example, is taxation. Realty valuations there, for purposes of taxation, have been reduced from $19,000,000,000 to $16,000,000,000. They are still too high and the difficult work of readjusting them must go on," Mr. Bruere says.

In a review of past real estate difficulties, Mr. Bruere listed seven major developments which he declared contributed to them. One has resulted in the opinion now held generally that never again will any one man's opinion be a sufficient basis for intelligent lending on real estate, he said. Mortgages in the future must continue to be amortized, he added, and real estate loans in the future must be watched as carefully as stocks or bonds. The most important development in recent mortgage history has been FHA's system of insured and amortized loans for lenders and owners alike.

March Living Costs Rise In Industrial Cities

The cost of living for wage earners and lower-salaried clerical workers in March rose in all of the 70 cities surveyed each month by the National Industrial Conference Board. The largest advance, 2.1%, was shown in New Orleans and Wausau, Wis., but there was a rise of 1.5% or more in 13 other cities, and an increase of 1.0% or more in each of still another group of 30 cities. For the United States as a whole, the cost of living rose 1.0%. The Board on April 20 also said:

"Living costs were higher this March than in March, 1942 in all cities for which comparable figures are available. San Francisco recorded the largest increase during the 12-month period with an advance of 11.2%. The smallest was shown in Akron, where it rose only 4.4%. The cost of living for the United States as a whole stands 7.0% higher than a year ago, and 19.5% above January, 1941."

Steel Operations At New Record Peak—Labor Disputes Cause Loss—Backlog Growing

"In some areas important in the steel production picture, the labor situation was growing more tense this week," states "The Iron Age" in its issue of today (April 29), which further goes on to say:

"A series of disputes already had caused the loss of substantial tonnages of steel, and other stoppages were threatened. Fourteen short strikes in five days, all seeming to lack a significant cause and apparently unauthorized by union leaders, were suffered by one Chicago district steel producer recently. There was a minor strike in a Cleveland mill and a short walkout at a New York State blast furnace. Close to 15,000 employees of steel company coal mines in western Pennsylvania were on strike early this week and production had ceased at five steel company coal mines in Alabama. If these strikes are a straw in the wind, indicating a possible national walkout, steel output will be affected severely, to the detriment of the war production program.

"Sources close to organized labor say that the unions will meet the President's 'hold-the-line order' with demands for 'stand-by' or minimum weekly guaranteed pay. The alternative will be the adoption of incentive wages, but only in cases where the stand-by wage is granted.

"In addition to the threatened curtailment of coke supplies through a coal strike, the situation in raw materials needed by the steel industry holds promise of regaining prominence in the future in other respects. Even scrap, long absent from the headlines, may return to the spotlight temporarily. Because numerous blast furnaces have been going down for repairs at a rapid rate and because the iron ore movement is far behind expectations, a drain on scrap supplies is held possible.

"Despite unbalances in the aircraft steel supply situation, coupled with the need for more aluminum extrusions, hard alloy tubing and forgings, aircraft builders have boosted plane deliveries sharply. In aircraft steel, considerable success has been achieved through the combined efforts of Dayton and Washington toward reducing the seriousness of problems, only to have new difficulties appear. Orders for cold-drawn heat-treated alloy steel bars needed for aircraft currently require around six months for delivery from the start of the order. Steel producers have been prohibited until further notice from shipping normalized or heat-treated carbon or alloy steels on any commercial warehouse order.

"Only through constant pleading have steel companies been able to push the electric furnace expansion programs which are so vital to aircraft construction. As of April 1, about one-third of the electric furnace expansion program had been completed. Around 552,000 net tons of new capacity has been added so far.

"Sales efforts in the machine-tool industry are reported to have been stimulated recently by the industry's realization that a decline from its unprecedented production peak can be expected.

"Production of steel shell cases has progressed to the point where the use of steel is close to the use of brass. These shells are being made in 12 sizes of cases.

"The tin-plate situation continues to undergo weekly changes. Second quarter tin-plate production is expected to be 685,700 tons, with June output of around 220,700 tons, which is about 40,000 tons less than can makers had asked. April output is expected to run 210,000 tons and in May 255,000 tons."

The American Iron and Steel Institute on April 26 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 100% of capacity for the week beginning April 26, compared with 99.1% one week ago, 99.5% one month ago and 98.9% one year ago. This represents an increase of 0.9 point or 0.9% from the preceding week. The operating rate for the week beginning April 26 is equivalent to 1,731,700 tons of steel ingots and castings, the largest week on record, and compares with 1,716,100 tons in the week previous, 1,723,000 tons one month ago and 1,679,900 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on April 26 stated in part as follows: "Because scheduling of steel orders for rolling by mills no longer depends on Production Requirements Plan ratings, but on date of receipt of CMP allotment numbers, buyers are moving with increased celerity in getting CMP orders through as promptly as possible.

"As a result many are ordering further ahead than previously as they realize that after June 30, when CMP becomes fully effective, allotment numbers will be the only factor, short of special directives.

"Major producers now are largely covered for the remainder of second quarter with a rapidly growing backlog for delivery beyond.

"It is practically impossible to obtain promise of delivery of any specification of steel bars before July and on larger rounds before August or September. Alloy bars are still further delayed. Forging billets are difficult to obtain before September and in some cases little can be promised before October.

"Currently scrap supplies are sufficient but complaint is made of quality of much of the material, which causes loss in off-heats.

"An easier situation prevails in the pig iron market, burden on some foundries engaged in war work being slightly eased by changes in the nature of armament demand and requirements for machine tool builders declining as equipment needs slacken. Expected relining needs have forced several stacks down and this has changed the picture in allocations, many melters being supplied from unusual sources. Much of the slack caused by changes in demand for war materials is taken up by increased needs of foundries supplying the agricultural and railroad car industries.

"Pig iron production in March set a new all-time record with 5,314,201 net tons, 77,593 tons greater than the previous mark of 5,236,608 tons made in October, 1942. For first quarter total output was 15,290,952 tons, compared with 14,527,626 tons in the corresponding period last year. Production in March was at 98.7% of capacity, some districts producing at more than rated capacity.

"Blast furnaces in March consumed 7,723,461 gross tons of Lake Superior iron ore, slightly less than the record consumption of 7,765,174 tons in January. One less blast furnace was in operation than in January. Ore at furnaces and on Lake Erie docks April 1 was 25,088,209 tons, compared with 20,189,294 tons a year ago. Eight blast furnace stacks are idle in the United States but all Canadian furnaces are blowing."

Renewal Of Reciprocal Trade Treaties Urged

Secretary of Commerce Jesse H. Jones urged the House Ways and Means Committee on April 13 to approve renewal of the Reciprocal Trade Agreements Act as a demonstration that this Government intends to restore private interests to a major role in foreign trade when the war ends.

"Failure to extend the authority under which they are negotiated might naturally be construed by business as an indication that private enterprise will not be expected to play a major role in post-war foreign trade," Mr. Jones told the Committee.

"I believe the trade agreements have been successful in accomplishing their main objective—expansion of our foreign trade," Mr. Jones asserted.

Regarding his further testimony, Associated Press Washington advices reported:

He said United States foreign trade dipped to a low of $2,934,000,000 in 1932 and rose to $5,495,000,000 by 1939. The trade program conceived by Mr. Hull, allowing the administration to lower tariffs on a reciprocal basis, was instituted in 1934.

Immediately thereafter, exports increased, Mr. Jones said, to the extent of 63% with "trade agreement countries" from 1934 to 1939 and 32% to "non-agreement countries." Imports over the same period with agreement nations rose to 22% compared to 12% with non-agreement countries, he said. The war years show "even greater proportionate gains in our exports to agreement countries," Mr. Jones said without disclosing the figures.

"These facts prove to me that the trade agreements build trade and that is what we want to do. Not only in our own interest but in the interest of other countries with which we must live in peace."

Nelson Rockefeller, Coordinator of Inter-American Affairs, told the Committee that the treaties form "a solid basis for confidence in our friendship" that was responsible for lining up South American republics on the side of the United Nations against the Axis.

Supreme Court Rules On Ship Immunity

A ruling holding that when the State Department grants immunity to a vessel of a friendly foreign nation this "must be accepted by the courts as a conclusive determination by the political arm of the Government that the continued retention of the vessel interferes with the proper conduct of our foreign relations," was handed down by the U. S. Supreme Court on April 5. Reportporting this, Associated Press Washington advices of April 5 stated:

Chief Justice Stone delivered the 7-to-2 opinion which held that Federal District Judge Wayne G. Borah at New Orleans should recognize a claim by the Republic of Peru to immunity from suit resulting from unloading at New Orleans, because of the submarine menace, a cargo of sugar destined for New York. Justices Frankfurter and Reed dissented.

"The case involves," the Chief Justice said, "the dignity and rights of a friendly sovereign State, claims against which are normally presented and settled in the course of the conduct of foreign affairs by the President and by the Department of State.

"When the Secretary elects, as he may, and as he appears to have done in this case, to settle claims against the vessel by diplomatic negotiations between the two countries rather than by continued litigation in the courts, it is of public importance that the action of the political arm of the Government taken within its appropriate sphere be promptly recognized.

"The judicial seizure of the vessel of a friendly foreign State is so serious a challenge to its dignity and may so affect our friendly relations with it, that courts are required to accept and follow the executive determination that the vessel is immune."

Peru claimed to be the owner of the vessel "Ucayali" and to have sovereign immunity from a $100,000 damage suit filed by Galban Lobo Co., S. A., of Cuba, which chartered the ship and was to have received the sugar at New York.

From Washington

(Continued from first page)

leader, generally looked upon as one of labor's most constructive influences, is having a very unusual experience, indeed. In Congress "labor's friends," those gentlemen whose only claim to office is that they vote along dotted lines as Labor dictates, have thrown up their hands in holy horror. They are being caught between two fires. Whereas life used to be a very simple thing for them—all they had to do was to take their orders—it is now very complicated, indeed, because manifestly the CIO is very much opposed to any modification at all of the Wagner Act. To be "fair" to John Frey's portion of organized labor, these Congressmen must be unfair to the CIO.

Frey, with whom this writer has been closely associated in his problem growing out of the NLRB's action in the Kaiser shipyards, is moved to his drastic action by the conviction that it is the only way that labor turmoil can be prevented in the next 30 days in practically every one of the country's new shipyards, up and down the Pacific Coast and extending back across the country to the Gulf. After a close study of the situation I share his conviction. It is a situation far more serious than that which John L. Lewis presents and with which the Government seems more concerned. For some reason or another it hasn't hit the headlines, but there is no doubt in my mind that if something isn't done and done quickly, these shipyards are going to be embroiled in strikes and riots. And to one who has seen ship after ship sliding gracefully down the ways, it is heartsickening.

The facts are that in the great organized labor bonanza that the war has brought, whereby the millions of new and inexperienced workers going into war plants, receive a first class mechanic's wage after a few weeks of training, but are also required to join the union, the A. F. of L. got the jump on the CIO in the shipyards. The CIO is intrenched in the old line yards on the East Coast. It claims altogether 240,000 members. The A. F. of L. in the shipyards alone, not including the so-called uptown shops, has around 800,000. In the Pacific Coast yards alone it has some 400,000; the CIO only claims 18,000.

It is this situation which the NLRB with amazing bureaucratic stupidity is trying to break up. Hailed before the Truman Committee a few days ago, the Board's spokesman, General Counsel Watts, sought first to justify the Board's stand on the ground that the CIO had been denied its legal right to a fair shot at the spoils. Then when the Committee members showed their disgust, he contended that the Board was really motivated by the desire to protect the worker who didn't want to belong to a union. This is a very legitimate undertaking, but it came as quite a shock to the Committee members from an agency created to enforce a law that is manifestly weighted in favor of the unions. And it is also utterly in contrast to the policy of the rest of the Government which has been to force men into the unions. The plain truth is that it is a case of a group of bureaucrats determined to show an activity.

In the Kaiser Portland yards there are some 80,000 workers. I am satisfied that if they had their choice 65% of them wouldn't join any union, with things now stabilized as they are and these workers constituting the inexperienced newcomers with no union background. But the other 35% are skilled mechanics steeped in the craft union tradition. And there is no doubt in my mind that, embittered as they have become over what they fear is a threat to their trade union setup, they are capable of tying up these yards and that no force is going to prevent their doing it unless the situation is checked. It is utterly sickening to see a law designed to cut out strife between employer and employee being administered to provoke it between rival labor unions with the employer in the middle and no place to go.

Payments On Life Ins. Higher In February

American families received $187,853,000 in payments from their life insurance policies in February, bringing such payments for the year to date to $391,457,000, it was reported on April 16 by the Institute of Life Insurance. Death benefit payments for the fourth successive month showed an increase as compared with the corresponding month of the preceding year. They amounted in February to $85,549,000, an increase of approximately 16% over the $74,057,000 reported a year ago. The rise is interpreted by the Institute as indicating that health on the home front is beginning to feel the strain of the war effort, at the same time that claims resulting from war casualties are being paid. The advices from the Institute also state:

"Withdrawals by policyholders of emergency cash values declined 34% in February to $24,319,000 as compared with $36,856,000 for February, 1942. For the first two months of the year such payments were less than two-thirds the total reported for the opening months of 1942. This continuation of the declining trend is interpreted as evidence of the increasing financial ability of American families to keep their life insurance in force.

"More than offsetting the decrease in surrender value payments, a 9% increase in the aggregate of other payments brought total benefits to policyholders and beneficiaries during February slightly above the total for February, 1942."

Extends Time For Tax Relief Applications

President Roosevelt signed on March 31 legislation extending the time within which application can be made for relief from corporate excess profits taxes.

The bill, which passed the Senate on March 23 and the House on March 22, extends from April 21 to Sept. 15 the time allowed taxpayers to apply for relief from excessive and discriminatory excess profits taxes for taxable years beginning after Dec. 31, 1939, but not after Dec. 31, 1941.

The measure also extends from three months to a year after payment of tax the time in which the Treasury must issue Government bonds in settlement of the post-war credit for corporations of 10% of their excess profits tax with respect to taxable years beginning or ending in 1942.

The Treasury Department had urged immediate action on the legislation.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Apr. 27	118.25	109.60	118.00	115.24	110.52	96.69	100.98	112.93	115.63
26	118.26	109.79	118.00	115.43	110.52	96.69	100.98	112.93	115.63
24	118.23	109.79	118.00	115.43	110.52	96.69	101.14	113.12	115.63
23			STOCK EXCHANGE CLOSED						
22	118.22	109.60	118.00	115.43	110.34	96.69	100.98	113.12	115.82
21	118.17	109.60	117.80	115.43	110.34	96.54	100.98	112.93	115.63
20	118.21	109.60	118.00	115.43	110.52	96.54	100.81	112.93	115.82
19	118.21	109.60	117.80	115.43	110.52	96.69	100.98	112.93	115.82
17	108.08	109.60	117.80	115.43	110.52	96.54	100.98	112.93	115.82
16	118.06	109.60	117.80	115.43	110.52	96.38	100.81	112.93	115.63
15	118.00	109.60	117.80	115.24	110.52	96.54	100.98	112.93	115.63
14	117.85	109.60	117.80	115.24	110.52	96.38	100.81	112.93	115.63
13	117.68	109.42	117.80	115.24	110.52	96.23	100.65	112.93	115.63
12	117.51	109.60	117.80	115.24	110.52	96.38	100.81	112.93	115.63
10	117.48	109.60	117.80	115.24	110.52	96.54	100.81	112.93	115.63
9	117.48	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63
8	117.48	109.79	118.00	115.43	110.52	96.85	101.14	113.12	115.82
7	117.46	109.79	117.80	115.43	110.52	96.85	101.14	113.12	115.82
6	117.44	109.79	117.80	115.43	110.52	96.85	101.14	113.12	115.82
5	117.51	109.79	117.80	115.43	110.52	96.85	101.14	113.12	115.82
3	117.38	109.60	117.60	115.43	110.52	96.85	100.98	112.93	115.63
2	117.29	109.79	117.80	115.43	110.52	96.85	100.98	113.12	115.63
1	117.20	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63
Mar. 26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
19	116.86	109.42	117.60	115.43	110.52	95.92	100.32	113.12	115.63
12	116.87	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.43
5	116.97	109.42	117.80	115.43	110.34	95.77	100.16	113.12	115.43
Feb 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
19	117.11	109.06	117.60	115.24	110.15	95.01	99.68	112.93	115.43
11	117.13	108.88	117.60	115.24	109.97	94.86	99.36	112.93	115.43
5	117.09	108.88	117.60	115.04	109.97	94.71	99.04	112.75	115.63
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
22	117.05	108.34	117.20	114.66	109.60	94.26	98.73	112.37	115.24
15	117.05	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
8	117.02	107.62	116.80	114.08	109.06	92.93	97.62	112.00	114.66
1 Exchange Closed									
High 1943	118.26	109.79	118.00	115.63	110.70	96.85	101.14	113.31	115.82
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago									
Apr. 27, 1942	117.72	106.74	116.22	113.12	107.62	92.06	96.69	110.52	113.70
2 Years ago									
Apr. 26, 1941	118.62	106.21	116.61	112.75	106.56	91.19	96.69	110.34	112.19

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Apr. 27	1.99	3.19	2.75	2.89	3.14	3.96	3.69	3.01	2.87
26	1.99	3.18	2.75	2.88	3.14	3.96	3.69	3.01	2.87
24	1.99	3.18	2.75	2.88	3.14	3.94	3.68	3.00	2.87
23			STOCK EXCHANGE CLOSED						
22	1.99	3.19	2.75	2.88	3.15	3.96	3.69	3.00	2.86
21	1.99	3.19	2.76	2.88	3.15	3.97	3.69	3.01	2.87
20	1.99	3.19	2.75	2.88	3.14	3.97	3.70	3.01	2.86
19	1.99	3.19	2.76	2.88	3.14	3.96	3.69	3.01	2.86
17	2.00	3.19	2.76	2.88	3.14	3.97	3.69	3.01	2.86
16	2.00	3.19	2.76	2.88	3.14	3.98	3.70	3.01	2.87
15	2.01	3.19	2.76	2.89	3.14	3.97	3.69	3.01	2.87
14	2.02	3.19	2.76	2.89	3.14	3.98	3.70	3.01	2.87
13	2.03	3.20	2.76	2.89	3.14	3.99	3.71	3.01	2.87
12	2.04	3.19	2.76	2.89	3.14	3.98	3.70	3.01	2.87
10	2.04	3.19	2.76	2.89	3.14	3.97	3.70	3.01	2.87
9	2.04	3.19	2.76	2.89	3.14	3.96	3.69	3.00	2.87
8	2.04	3.18	2.75	2.88	3.14	3.95	3.68	3.00	2.86
7	2.05	3.18	2.76	2.88	3.14	3.95	3.68	3.00	2.86
6	2.05	3.18	2.76	2.88	3.14	3.95	3.68	3.00	2.86
5	2.04	3.18	2.76	2.88	3.14	3.95	3.68	3.00	2.86
3	2.05	3.19	2.77	2.88	3.14	3.95	3.69	3.01	2.87
2	2.06	3.18	2.76	2.88	3.14	3.95	3.69	3.00	2.87
1	2.07	3.19	2.76	2.88	3.14	3.96	3.69	3.00	2.87
Mar. 26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
19	2.07	3.20	2.77	2.88	3.14	4.01	3.73	3.00	2.87
12	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.88
5	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.00	2.88
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
19	2.06	3.22	2.77	2.89	3.16	4.07	3.77	3.01	2.88
11	2.06	3.23	2.77	2.89	3.17	4.08	3.79	3.01	2.88
5	2.06	3.23	2.77	2.90	3.17	4.09	3.81	3.02	2.87
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
22	2.06	3.26	2.79	2.92	3.19	4.12	3.83	3.04	2.89
15	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90
8	2.07	3.30	2.81	2.95	3.22	4.21	3.90	3.06	2.92
1 Exchange Closed									
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.99	3.18	2.75	2.87	3.13	3.95	3.68	2.99	2.86
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago									
Apr. 27, 1942	2.00	3.35	2.84	3.00	3.30	4.27	3.96	3.14	2.97
2 Years ago									
Apr. 26, 1941	1.92	3.38	2.82	3.02	3.36	4.33	3.96	3.15	3.05

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

President Gives Second 'Social' for Congressmen

President Roosevelt gave an informal party at the White House on April 11 for 90 "sophomore" members of Congress. The get-acquainted session, designed to bring about better relations between the White House and Congress, was also attended by the Democratic and Republican leaders, and by General George C. Marshall, Army Chief of Staff; Admiral Ernest J. King, Commander in Chief of the Fleet, and General H. H. Arnold, Chief of the Army Air Forces.

The three military leaders gave a report on the progress of the war. The party was the second in two months for members of Congress, more than 100 having attended the "freshmen" affair in March.

Moody's Daily Commodity Index

Tuesday, April 20	247.2
Wednesday, April 21	247.1
Thursday, April 22	247.1
Friday, April 23	*
Saturday, April 24	246.9
Monday, April 26	246.6
Tuesday, April 27	246.2
Two weeks ago, April 13	246.0
Month ago, March 27	248.8
Year ago, April 27	231.2
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, April 1	249.8
Low, Jan. 2	240.2

*Holiday.

March Department Store Sales In New York Federal Reserve District 1% Above Year Ago

The Federal Reserve Bank of New York announced on April 26 that March sales of department stores in the Second Federal Reserve District increased 1% over a year ago, while the combined sales for the first three months of the year are 2% higher than in the same period of 1942. Stocks of merchandise on hand in department stores at the end of March were 20% below the close of March, 1942.

The apparel stores in the New York Reserve District reported a gain of 14% in net sales in March, but their stocks on hand at the end of the month were 9% below last year.

The following is the bank's tabulation:

DEPARTMENT STORE TRADE BY MAJOR LOCALITIES: MARCH, 1943
Second Federal Reserve District

Department Stores—	Percentage changes from a year earlier: Net Sales Mar.	Net Sales Jan. & Mar.	Stock on hand. Mar. 31, 1943
New York City	+ 4	+ 4	—23
*Northern New Jersey	—11	— 9	—26
*Newark	—10	— 6	—27
Westchester and Fairfield Counties	— 9	— 7	—12
Bridgeport	—10	— 8	—12
Lower Hudson River Valley	— 3	— 3	—11
Poughkeepsie	+ 1	0	--
Upper Hudson River Valley	—17	—12	— 5
Albany	—23	—21	--
Schenectady	— 5	0	— 8
Central New York State	+ 3	+ 7	—21
Mohawk River Valley	+ 1	+ 9	— 5
Syracuse	+ 4	+ 6	—25
Utica	+ 1	--	--
*Northern New York State	— 5	— 4	+12
Southern New York State	— 3	+ 7	— 8
Binghamton	— 6	+ 8	--
Elmira	—11	— 2	--
Western New York State	+ 7	+ 8	—11
Buffalo	+ 3	+ 9	— 5
Niagara Falls	+18	+28	— 2
Rochester	+12	+ 6	—22
*All department stores	+ 1	+ 2	—20
*Apparel stores	+14	+16	— 9

*Subject to possible revision.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS
Second Federal Reserve District
[1923-25 average = 100]

	1942 Mar.	1943 Jan.	1943 Feb.	1943 Mar.
Sales (average daily), unadjusted	†106	97	112	*101
Sales (average daily), seasonally adjusted	120	123	138	124
Stocks, unadjusted	137	108	105	106
Stocks, seasonally adjusted	†136	118	†110	105

*Subject to possible revision. †Revised.

Electric Output For Week Ended April 24, 1943 Shows 19.9% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended April 24, 1943, was approximately 3,925,175,000 kwh., compared with 3,273,190,000 kwh. in the corresponding week last year, an increase of 19.9%. The output for the week ended April 17, 1943, was 18.4% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended April 24	April 17	Apr. 10	Apr. 3
New England	9.5	8.9	9.4	10.0
Middle Atlantic	16.7	15.7	15.3	13.1
Central Industrial	17.3	17.0	15.0	13.1
West Central	14.4	13.8	12.4	11.0
Southern States	24.9	20.3	19.7	22.5
Rocky Mountain	13 9	14.8	10.6	12.3
Pacific Coast	32.6	30.4	26.9	24.4
Total United States	19.9	18.4	16.9	16.2

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Jan 2	3,779,993	3,288,685	+14.9	2,845,727	1,619,265	1,542,000
Jan 9	3,952,587	3,472,579	+13.8	3,002,454	1,602,482	1,733,810
Jan 16	3,952,479	3,450,468	+14.5	3,012,638	1,598,201	1,736,729
Jan 23	3,974,202	3,440,163	+15.5	2,996,155	1,588,967	1,717,315
Jan 30	3,976,844	3,468,193	+14.7	2,994,047	1,588,853	1,728,203
Feb 6	3,960,242	3,474,638	+14.0	2,989,392	1,578,817	1,726,161
Feb 13	3,939,708	3,421,639	+15.1	2,976,478	1,545,459	1,718,304
Feb 20	3,948,749	3,423,589	+15.3	2,985,585	1,512,158	1,699,250
Feb 27	3,892,796	3,409,907	+14.2	2,993,253	1,519,679	1,706,719
Mar 6	3,946,630	3,392,121	+16.3	3,004,639	1,538,452	1,702,570
Mar 13	3,944,679	3,357,444	+17.5	2,983,591	1,537,747	1,687,229
Mar 20	3,946,836	3,357,032	+17.6	2,983,048	1,514,553	1,683,262
Mar 27	3,928,170	3,345,502	+17.4	2,975,407	1,480,208	1,679,589
Apr 3	3,889,858	3,348,608	+16.2	2,959,646	1,465,076	1,633,291
Apr 10	3,882,467	3,320,858	+16.9	2,905,581	1,480,738	1,696,543
Apr 17	3,916,794	3,307,700	+18.4	2,897,307	1,469,810	1,709,331
Apr 24	3,925,175	3,273,190	+19.9	2,950,448	1,454,505	1,699,822

Labor Bureau Revising Indexes Of Retail Food And Living Costs

The U. S. Department of Labor announced on April 5 that publication of the indexes of retail food costs and of the cost of living for March, usually issued by the Bureau of Labor Statistics early in the month, has been delayed because of "changes which must be made in the food index because of rationing and current short supplies of ordinary foods." The Department's announcement explained:

"Up to this time it has been possible to keep the index of the cost of living abreast of war-time market conditions without delaying publication. Thus, automobiles, tires, electric refrigerators, washing machines, and other articles have been dropped as they went off the market. Substitutes, like rayon hosiery, have been put into the index. Also, as low-price lines have disappeared and only higher-priced goods are sold, the new goods are substituted and the Bureau's indexes show an increase.

"However, the introduction of rationing for canned foods, meats and fats necessitates more extensive adjustments than can be handled in the time ordinarily required for the computation of these indexes.

"Such radical changes as are occurring in the supplies of foods and other commodities compel wage earners to look for substitutes to replace or supplement those goods which are no longer available on the market. Changes in the prices of these goods must be reflected in the index and the Bureau is, therefore, including additional commodities such as liver, hamburger, corn sirup and oatmeal. At the same time the Bureau is making adjustments for shifts in population to war centers and for changes in the volume of food sold in supermarkets, chains and independent stores.

"These changes will not affect the level of the index. The index is really a price thermometer, that is, it measures the changes from month to month in the prices of foods and other items being purchased by wage earners. It is not a measure of the change in the standard of living, which occurs when people are no longer able to buy automobiles or as much butter as they want."

Press advices early in April indicated the proposed revision of the Labor Bureau's cost-of-living index, a dispatch at that time from Washington (April 2) stating in part:

The Bureau's crisis came with the tightening of supplies in certain lines of goods, which shifted purchases from one type of commodity to another. It acted rapidly to compensate for reduction in gasoline expenditures and more obvious changes of that kind, but when consumers started to change their food purchase habits markedly it was admittedly impossible with the data available to reflect those important differences.

One of the most important changes in consumption habits, which may be cited as an example of the kind of trend the Bureau hopes to catch up with, is the shift in emphasis to purchases of fresh fruits and vegetables from canned fruits and vegetables.

Important in this connection is that, while the canned products have been covered by price ceilings, fresh fruits and vegetables have in large measure been uncontrolled at the retail level.

Bureau experts emphasize that the index is held down by its national charter, which makes allowance for the difference of prices in different areas, and by the fact that all foods have not risen in the same proportion. They contend that the United States cost-of-living index is the only one in the world that makes a real effort to keep current as to consumption patterns, despite the fact that in Canada, for example, the cost-of-living index has been officially tied to the wage level.

Twice in the past year the Bureau has attempted to obtain funds from Congress to make the surveys which would be required to provide the data on which shifts in emphasis should be based, but both times its requests, backed by the Bureau of the Budget, were rejected.

The previous items on the indexes of retail food costs and the cost of living appeared in these columns of March 25, page 1124.

Lumber Movement—Week Ended April 17, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 457 mills reporting to the "National Lumber Barometer" exceeded production by 8.6% for the week ended April 17, 1943. In the same week new orders of these mills were 10.4% greater than production. Unfilled order files in the reporting mills amounted to 94% of stocks. For reporting softwood mills, unfilled orders are equivalent to 38 days' production at the current rate, and gross stocks are equivalent to 37 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 16.9%; orders by 20.6%.

Compared with the average corresponding week of 1935-39, production of reporting mills was 29.9% greater; shipments were 33.8% greater, and orders were 38.8% greater.

Changes In Holdings Of Reacquired Stock On N. Y. Stock & Curb Listed Firms

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on April 19. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
Allied Mills, Inc., common	304,466	304,468	
American Machine and Metals, Inc., capital	14,800	20,100	
Armour and Co. (Delaware), 7% preferred	547	549	
Associates Investment Co., common	28,608	30,448	
5% cum. preferred	1,242	1,834	
Atlas Corp., common	61,456	61,482	
6% preferred	------	942	
Barker Bros., 5½% cum. preferred	10,552	10,752	
Beneficial Industrial Loan Corp., common	317,404	------	(1)
Prior preference $2.50 dividend	5,322	------	(1)
Blumenthal (Sidney) & Co., Inc., 7% preferred	393	------	(1)
Borden Co. (The), capital	48,254	48,654	
Certain-Teed Products Corp., 6% cum. prior pfd.	------	------	(2)
Century Ribbon Mills, Inc., 7% preferred	271	287	
Chicago Pneumatic Tool Co., $2.50 cum. pr. pfd.	6,871	6,971	
Chicago Yellow Cab Co., capital	39,469	39,869	
Consolidated Oil Corp., common	307,700	327,900	
Cuban-American Sugar Co. (The), 7% cum. pfd.	11,193	11,263	
5½% convertible preferred	35,564	35,820	
Davega Stores Corp., common	14,650	16,450	
Detroit Edison Co. (The), common	3,465	2,765	
Federated Department Stores, Inc., 4¼% cv. pfd.	11,900	15,780	
Florsheim Shoe Co. (The), class A common	1,015	15	
Fruehauf Trailer Co., 5% cv. pfd. cum.	2,355	------	(1)
Gaylord Container Corp., 5½% cum. pfd.	------	------	(3)
General Foods Corp., common	105,311	75,311	(4)
General Motors Corp., common	76,071	127,171	
General Telephone Corp., common	2,000	------	
Gillette Safety Razor Co., $5 cv. pref.	13,749	14,549	
Glidden Co. (The), common	8,348	8,288	(1)
Goodyear Tire & Rubber Co. (The) $5 cum. cv. pfd.	10,512	12,012	
Insuranshares Certificates, Inc., common	------	------	(5)
Interstate Department Stores, Inc., 7% preferred	5,656	5,706	
Jewel Tea Co., Inc., common	2,664	2,589	
Jones & Laughlin Steel Corp., common	2	------	(6)
5% cum. preferred "A"	2	------	(7)
5% cum. preferred "B"	2	------	(7)
Mead Corp. (The), $5.50 cum. preferred "B"	2,639	2,939	
Nash-Kelvinator Corp., capital	84,397	84,405	
National Department Stores Corp., 6% preferred	92,818	2,865	(1)
National Steel Corp., common	5,130	4,630	
Plymouth Oil Co., common	2,284	2,884	
Real Silk Hosiery Mills, Inc., 7% cum. preferred	5,868	5,878	
Rustless Iron and Steel Corp., common	2	4	
Safeway Stores, Inc., 5% cum. preferred	3,387	3,557	
Shattuck (Frank G.) Co., common	170,000	170,300	
Sheaffer (W. A.) Pen Co., common	4,276	3,926	
Transamerica Corp., Capital	1,111,483	1,114,092	
United Merchants & Mfrs., Inc., v.t.c. for common	24,104	24,904	
United States Leather Co. (The), prior pref.	4,645	5,395	
Virginia Iron Coal and Coke Co., 5% preferred	2,212	2,442	
White (S. S.) Dental Mfg. Co. (The), capital	1,522	1,502	
Willys-Overland Motors, Inc., 6% cum. cv. pfd.	73,795	86,695	

NOTES

(1) Retirement.
(2) 5,696 shares acquired and retired.
(3) 1,030 shares acquired and retired.
(4) 30,000 shares transferred to acquire assets of Bireley's, Inc.
(5) 1,400 shares acquired and retired.
(6) 88 shares acquired, all retired.
(7) 20 shares acquired, all retired.

The New York Curb Exchange issued on April 17 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Name and class of stock	Shares Previously Reported	Shares Per Latest Report
Air Investors, Inc., conv. pref.	400	1,638
American Cities Pw. & Lt. Corp., A opt. div. ser. 1936	6,342	7,192
Cv. A opt. div. ser.	2,736	11,236
American General Corp., common	358,765	358,777
Barlow & Seelig Mfg. Co., A common	2,180	4,880
Carman & Co., Inc., class A	2,049	2,059
Charis Corporation, common	8,210	8,410
Cooper-Bessemer Corp., $3 prior pref.	------	800
Crown Central Petroleum Corp., common	584	585
Dejay Stores, Inc., common	12,306	13,306
Interstate Hosiery Mills, Inc., capital	33,909	45,604
Lane Bryant, Inc., 7% preferred	188	218
Mangel Stores Corp., $5 cv. preferred	1,880	1,960
Merritt-Chapman & Scott., 5½% A preferred	1,230	1,305
Mildand Oil Corp., $2 cv. pref.	8,465	8,615
Mock, Judson, Voehringer Co., Inc., common	13,367	13,767
New York Merchandise Co., Inc., common	123,737	123,837
Russeks Fifth Avenue, Inc., common	------	8,548
Sterling, Inc., common	71,900	75,200
Sunray Oil Corp., 5½% cv. preferred	2,600	2,677
Tobacco & Allied Stocks, Inc., capital	1,139	------

Insured Banks Had Record Assets And Deposits On December 31, 1942, FDIC Reports

Total assets and deposits of the 13,347 insured commercial banks were higher on Dec. 31, 1942, than on any other call date during the existence of the Federal Deposit Insurance Corporation, Chairman Leo T. Crowley announced on April 15. Total assets amounted to $95,458,000,000, an increase of $18,627,000,000, or 24% over the figure for Dec 31, 1941, notwithstanding the elimination on the later date of $525,000,000 of reciprocal interbank demand balances with banks in the United States.

The comparative statement of assets and liabilities of all insured commercial banks issued by the Corporation also revealed the following significant items:

1. Total deposits, excluding reciprocal interbank demand balances of $525,000,000, amounted to $87,819,000,000. The deposits were higher by $18,398,000,000, or 26%, than deposits, including reciprocal balances, reported a year ago. The growth in deposits reflected chiefly the purchase by the banks of U. S. Government obligations offset in part by withdrawal of currency into circulation. Expenditures by the Treasury of funds obtained from the sale of securities to the banks served to increase the deposits of individuals, partnerships, and corporations. Their demand deposits with the banks were $47,128,000,000, or 29% larger on Dec. 31, 1942, than a year ago;

2. Investments by the banks in United States Government obligations and obligations guaranteed by the United States Government increased during the year by $19,664,000,000, or 94% and amounted to $40,712,000,000 on Dec. 31, 1942;

3. Investments in obligations of States and political subdivisions on Dec. 31, 1942, amounted to $3,533,000,000, a reduction of $118,000,000, or 3% during the year period. Investments in other securities declined by 7% and amounted to $3,099,000,000, on Dec. 31, 1942;

4. Loans and discounts amounted to $18,906,000,000, a decline of $2,357,000,000, or 11% from last December. The reduction in loans over the year was chiefly in consumer loans, although business loans also declined;

5. Excluding reciprocal interbank demand deposits the banks reported cash, reserves, and funds due from banks of $27,593,000,000, on Dec. 31, 1942, an increase of $1,801,000,000, or 7% since Dec. 31, 1941;

6. Of the assets held by insured commercial banks on Dec. 31, 1942, 29% were cash, reserves, and funds due from banks, 49% were securities, and 20% were loans and discounts;

7. Total capital accounts of the insured commercial banks increased by $211,000,000 over the year period, reflecting increases in surplus, undivided profits, and reserves, which more than offset retirements of preferred capital. Total capital accounts amounted to $7,056,000,000 on Dec. 31, 1942, equal to 7.4% of book value of assets, compared with 8.9 on Dec. 31, 1941.

PRELIMINARY STATEMENT OF ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS AS OF DEC. 31, 1942, JUNE 30, 1942, AND DEC. 31, 1941

	Dec. 31, 1942	June 30, 1942	Dec. 31, 1941
Number of banks	13,347	*13,403	*13,430
Assets—			
Cash and funds due from banks—	(Amounts in thousands of dollars)		
In vault	1,306,806	1,290,745	1,358,738
In process of collection	4,115,759	2,677,505	3,453,163
With Federal Reserve banks	13,071,533	12,294,505	12,395,664
With other domestic banks	†9,086,022	†8,106,338	8,573,841
With foreign banks	13,255	12,767	11,463
Total cash and funds due from banks	†27,593,375	†24,381,860	25,792,869
Loans and Securities—			
U. S. Government obligations and obligations guaranteed by the U. S. Government	40,711,697	25,936,082	21,047,698
Obligations of States, political subdivisions, territorial and insular possessions	3,533,486	3,493,880	3,651,628
Other bonds, notes, and debentures	2,680,163	2,865,154	2,889,291
Corporate stocks	418,908	431,312	444,492
Loans and discounts (including overdrafts)	18,905,525	19,922,804	21,262,202
Total loans and securities	66,249,779	52,649,232	49,295,311
Guarantees and securities of customers and banks on account of acceptances	40,803	59,333	73,089
Bank premises owned and furniture and fixtures	1,047,535	1,060,323	1,061,541
Other real estate, acquired in settlement of debt; not used as bank premises	198,800	232,429	262,621
Investments and other assets indirectly representing bank premises owned or other real estate	101,911	107,423	108,266
Other assets	225,559	218,855	237,092
Total miscellaneous assets	1,614,613	1,678,363	1,742,609
Total assets	†95,457,767	†78,709,455	76,830,789
Liabilities—			
Deposits—			
Individuals, partnerships, and corporations, payable on demand	47,128,273	39,266,281	36,547,288
Individuals, partnerships, and corporations, deposited for periods of time	15,704,992	14,889,560	15,151,204
U. S. Government and postal savings	8,228,698	1,827,528	1,821,250
States and political subdivisions	4,393,493	4,337,016	4,169,752
Domestic banks, certified and officers' checks, cash letters of credit and travelers' checks outstanding	†11,539,775	†10,088,214	11,050,717
Foreign banks	823,852	753,832	680,473
Total deposits	†87,819,083	†71,162,431	69,420,684
Borrowed money	9,748	11,509	10,221
Outstanding acceptances and bills of exchange	46,478	68,844	87,021
Other liabilities	526,224	513,851	467,737
Total miscellaneous liabilities	582,450	594,204	564,979
Total liabilities (excluding capital accounts)	†88,401,533	†71,756,635	69,985,663
Capital Accounts—			
Capital stock, notes, and debentures	2,848,630	2,858,709	2,849,911
Surplus (paid in by stockholders or accumulated from earnings)	2,801,594	2,741,404	2,687,506
Undivided profits	972,042	935,727	896,121
Amounts set aside for contingencies, etc.	433,968	416,980	411,588
Total capital accounts	7,056,234	6,952,820	6,845,126
Total liabilities and capital accounts	†95,457,767	†78,709,455	76,830,789

*Revised to include insured State banks not members of the Federal Reserve System which do not accept deposits (4 for June 30, 1942, and 3 for Dec. 31, 1941).

†Amounts as of Dec. 31, and June 30, 1942, are not comparable with amounts reported for Dec. 31, 1941, because of the exclusion of reciprocal interbank demand balances with banks in the United States, except private banks and American branches of foreign banks. These reciprocal deposits were as follows: $525,324,000 as of Dec. 31, 1942, and $614,029,000 as of June 30, 1942.

Coordination Of Federal-State-Local Taxes In Several Fields Urged In Govt. Report

There is compelling need for coordination by the Federal Government, the States, and local governments of such tax levies as those on incomes, inheritances, tobacco, liquor, gasoline, motor vehicles and incomes, inheritances, tobacco, liquor, gasoline, motor vehicles and business activity, Secretary of the Treasury Morgenthau has been advised by the Committee on Intergovernmental Fiscal Relations in its report covering a two-year inquiry. In its advices in the matter April 4 the Treasury Department said:

"These are some of the taxation fields in which overlapping of Federal-State-local levies is most pronounced. To deal with this overlapping and other problems, the Committee recommended such steps as mutual adjustments to attain more uniform Federal and State income tax laws; surrender by the Federal Government of motor vehicle and gasoline taxes except taxes on gasoline used in aviation; collection of all tobacco taxes by the Federal Government, the proceeds to be shared with the States.

"The Committee worked out its coordination program from the viewpoint that Federal, State and local governments are partners in a joint enterprise rather than competitors, that the problems of intergovernmental fiscal relations may best be solved by cooperation rather than coercion, and that each specific problem has to be considered on its own merits.

"Members of the Committee in charge of the fiscal relations survey were Dr. Luther Gulick, Director of the Institute of Public Administration, New York; Dr. Harold M. Groves, Professor of Economics, University of Wisconsin, and Dr. Mabel Newcomer, Professor of Economics, Vassar College.

"Coordination of Federal and State income taxation is of first-rate importance, the Committtee said, because it is in this field that multiple taxation, tendencies toward interstate migration of wealth and industry to escape taxes, and high compliance costs are most prominent.

"Some coordination already has been achieved, it was pointed out, by provisions of law which permit income taxes paid to the States to be deducted in computing net income for Federal tax purposes, and the reciprocal practice in more than two-thirds of the States of allowing Federal income tax payments to be deducted in computing net income for State tax purposes. The report suggested further improvements by which the Federal Government would make State income taxes deductible on an accrual basis, even when other expenses were reported on a cash basis, and States which do not allow reciprocal deductibility would change their statutes to allow it as soon as revenue needs permit. Accrual basis deductibility would allow the taxpayer to deduct in his Federal return the State income taxes which were due and payable at the time the return is filed rather than the taxes paid during the previous year.

"Mutual deductibility is a fairly effective protection against excessive combinations of Federal and State rates, the Committee declared. It pointed to the fact that the combined load of an 80% Federal and a 15% State rate is actually only 80.7% when there is reciprocal deductibility.

"The States should not be asked to surrender the income tax, the report said, but the States should surrender to the Federal Government the responsibility of determining jurisdiction; that is, what is within the territorial province of each State to tax. This would strike at multiple income taxation, notably multiple taxation of the incomes of corporations."

OPA Postpones Meat Ceilings For Month

The effective date of the new dollars and cents ceilings on retail beef, veal, lamb and mutton prices was suspended by the Office of Price Administration on April 14 for one month to permit a reexaminaton of the prices in the light of the recent "hold-the-line" Presidential order. The regulation was issued prior to the President's executive order and was to have taken effect on April 15. The postponement until May 17, makes possible a full reexamination of the ceilings to insure that they are in accord with the directive requiring a tight holding of the line on cost of living items. The announcement from the OPA April 14 also stated:

"OPA Regional and District offices are being instructed to make an immediate check of the new retail ceilings against retail prices in effect at the time of the President's order. On the basis of these surveys together with trade meetings which will be called immediately OPA will determine whether revisions are needed.

"Meanwhile until the dollars and cents ceilings become effective, retail meat stores will continue under existing ceilings.

"The new retail ceilings on beef, veal, lamb and mutton are the second of OPA's major dollars and cents regulations on important cost of living articles at the consumer level. The first set dollars and cents retail ceilings on pork. The new regulation was designed in part to correct black market prices which had developed under the "freeze" price regulations, and in part to provide a readjustment of retail margins to offset increases in wholesale beef prices, which had been granted last September but not passed on at retail.

"The postponement is continued in Amendment 1 to maximum price regulation 355 (retail ceiling prices for beef, veal, lamb, and mutton cuts), effective at once.

"Retail ceilings on pork are not affected by this action."

Federal Reserve March Business Indexes

The Board of Governors of the Federal Reserve System issued on April 22 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time the Board made available its customary summary of business conditions. The indexes for March, together with comparisons for a month and a year ago, are as follows:

BUSINESS INDEXES

1935-39 average = 100 for industrial production and freight-car loadings;
1939=100 for factory employment and payrolls;
1923-25 average = 100 for all other series

	—Adjusted for Seasonal Variation—			—Without Seasonal Adjustment—		
	Mar. 1943	Feb. 1943	Mar. 1942	Mar. 1943	Feb. 1943	Mar. 1942
Industrial production—						
Total	†203	202	172	†200	197	168
Manufactures—						
Total	†215	215	180	†213	211	177
Durable	†293	295	230	†297	292	228
Nondurable	†148	150	139	†145	145	137
Minerals	†134	132	126	†125	123	118
Construction contracts, value—						
Total	*	†105	125	*	†90	125
Residential	*	†61	95	*	†54	99
All other	*	†140	149	*	†119	147
Factory employment—						
Total	†168.2	167.6	145.3	†167.2	166.1	144.3
Durable goods	†224.6	222.2	176.5	†223.9	221.1	175.8
Nondurable goods	†123.8	124.6	120.6	†122.5	133.8	119.4
Factory payrolls—						
Total	---	---	---	*	297.2	215.1
Durable goods	---	---	---	*	410.0	276.2
Nondurable goods	---	---	---	*	186.8	155.4
Freight-car loadings	136	141	137	130	130	129
Department store sales, value	†135	167	124	†120	132	118
Department store stocks, value	*	†94	109	*	†90	111

*Data not yet available. †Preliminary or estimated.

Note—Production, carloadings, and department store sales indexes based on daily averages. To convert durable manufactures, non-durable manufactures and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, non-durable by .469, and minerals by .152.

Construction contract indexes based on three-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by $410,269,000, residential by $184,137,000, and all other by $226,132,000.

Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

INDUSTRIAL PRODUCTION
(1935-39 average = 100)

	—Adjusted for Seasonal Variation—			—Without Seasonal Adjustment—		
	Mar. 1943	Feb. 1943	Mar. 1942	Mar. 1943	Feb. 1943	Mar. 1942
Manufactures—						
Iron and steel	†210	208	200	†210	208	200
Pig iron	†201	200	192	†201	200	192
Steel	233	231	213	233	231	218
Open hearth and Bessemer	188	185	182	188	185	182
Electric	559	560	477	559	560	477
Machinery	†359	352	263	†359	352	268
Transportation equipment	†583	572	330	†583	572	330
Non-ferrous metals & products	†193	199	181	†193	199	131
Lumber and products	†123	129	134	†118	114	129
Lumber	†112	121	128	†104	99	120
Furniture	†144	144	147	†144	144	147
Stone, clay, & glass products	*	155	158	*	132	140
Cement	*	156	161	*	126	141
Polished plate glass	39	40	43	39	40	43
Textiles and products	†153	160	153	†158	160	153
Cotton consumption	166	171	169	166	171	169
Rayon deliveries	†181	181	175	†181	181	175
Wool textiles	*	166	148	*	166	148
Leather products	†113	117	124	†116	122	129
Tanning	*	117	127	*	128	127
Cattle hide leathers	*	136	140	*	151	141
Calf and kip leathers	*	93	92	*	98	91
Goat and kid leathers	*	89	120	*	93	119
Shoes	†110	117	122	†115	119	130
Manufactured food products	†152	155	136	†134	135	121
Wheat flour	126	130	101	123	129	98
Meat packing	†154	153	144	†140	147	131
Other manufactured foods	†156	161	138	†138	140	121
Tobacco products	*	131	125	*	122	117
Cigars	*	116	121	*	101	111
Cigarettes	*	153	137	*	144	127
Manufactured tobacco & snuff	*	86	94	*	85	96
Paper and products	*	135	152	*	137	155
Paperboard	150	143	163	150	143	168
Newsprint production	*	93	106	*	92	106
Printing and publishing	†112	113	121	†116	114	126
Newsprint consumption	97	99	103	101	98	107
Coke	†168	169	162	†168	169	162
Byproduct	†157	158	152	†157	158	152
Beehive	†537	543	504	†537	543	504
Chemicals	†211	213	161	†216	213	166
Minerals—						
Fuels	†133	131	122	†133	131	122
Bituminous coal	†161	157	140	†161	157	140
Anthracite	†128	129	116	†128	129	116
Crude petroleum	†123	121	115	†123	121	115
Metals	*	140	153	*	76	97
Iron ore	235	234	219	*	*	*

†Preliminary or estimated. *Data not yet available.

FREIGHT-CAR LOADINGS
(1935-39 average = 100)

Coal	140	127	122	144	145	125
Coke	182	154	168	189	189	175
Grain	152	170	119	131	142	102
Livestock	117	113	97	92	90	77
Forest products	133	135	149	133	129	149
Ore	216	193	‡292	56	48	‡76
Miscellaneous	141	153	143	138	137	139
Merchandise, l.c.l.	61	61	92	62	58	92

‡Revised.

Note—To convert coal and miscellaneous indexes to points in total index, shown in the Federal Reserve Chart Book, multiply coal by .213 and miscellaneous by .548.

Weekly Coal And Coke Production Statistics

Solid Fuels Administrator Harold L. Ickes on Feb. 25 announced that anthracite production was further accelerated slightly during the week ended April 17, while bituminous coal production remained above the 12,000,000-ton level which it has reached every week with one exception since institution of a six-day week in many of the soft coal mines.

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of bituminous coal for the week ended April 17 was estimated at 12,100,000 net tons, as against 12,400,000 tons in the preceding week and 11,327,000 tons in the corresponding week last year. For the current year to April 17, output was 7.4% in excess of that for the corresponding period in 1942.

The U. S. Bureau of Mines estimated anthracite production for the week ended April 17 at 1,368,000 tons as compared with 1,362,000 tons in the preceding week and 1,318,000 tons in the week ended April 18, 1942.

The U. S. Bureau of Mines also reported that the estimated production of by-product coke in the United States for the week ended April 17 showed an increase of 500 tons when compared with the output for the week ended April 10. The quantity of coke from beehive ovens decreased 17,700 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL
In Net Tons (000 omitted)

	—Week Ended—			—January 1 to Date—		
Bituminous coal and lignite—	Apr. 17 1943	Apr. 10 1943	Apr. 18 1942	*Apr. 17 1943	Apr. 18 1942	Apr. 17 1937
Total, incl. mine fuel	12,100	12,400	11,327	182,620	170,001	149,123
Daily average	2,017	2,067	1,888	2,018	1,864	1,655

*Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

	—Week Ended—			—Calendar Year to Date—		
Penn. anthracite—	§Apr. 17 1943	Apr. 10 1943	Apr. 18 1942	Apr. 17 1943	Apr. 18 1942	Apr. 20 1929
*Total, incl. colliery fuel	1,368,000	1,362,000	1,318,000	18,803,000	17,233,000	22,102,000
†Commercial production	1,313,000	1,308,000	¶1,265,000	18,050,000¶	16,544,000	20,511,000
Beehive coke—						
United States total	161,500	179,200	153,000	2,446,900	2,298,800	1,900,900
By-product coke—						
United States total	1,233,600	1,233,100	1,164,700	18,660,400	18,043,100	‡

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision. ¶Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	—Week Ended—					April avge.
State—	Apr. 10 1943	Apr. 3 1943	Apr. 11 1942	Apr. 12 1941	Apr. 10 1937	¶1923
Alabama	377	363	391	33	31	412
Alaska	6	6	6	5	3	**
Arkansas and Oklahoma	74	78	44	9	7	70
Colorado	135	131	136	43	75	184
Georgia and North Carolina	1	1	1	††	††	**
Illinois	1,539	1,403	1,092	118	445	1,471
Indiana	553	528	464	18	112	514
Iowa	50	51	49	26	10	100
Kansas and Missouri	161	159	140	195	63	138
Kentucky—Eastern	983	853	962	33	661	620
Kentucky—Western	307	268	213	282	72	188
Maryland	42	39	45	4	22	52
Michigan	10	5	6	4	2	22
Montana (bituminous and lignite)	81	81	64	46	31	42
New Mexico	40	37	20	16	32	59
North and South Dakota (lignite)	34	41	32	25	23	**16
Ohio	737	669	680	35	261	766
Pennsylvania (bituminous)	2,983	2,653	2,748	17	1,738	3,531
Tennessee	150	126	155	27	34	121
Texas (bituminous and lignite)	6	6	5	6	15	20
Utah	130	131	91	1	36	70
Virginia	437	398	401	54	160	249
Washington	25	26	47	35	36	35
*West Virginia—Southern	2,372	2,060	2,265	7	1,503	1,256
†West Virginia—Northern	988	863	926	47	400	778
Wyoming	178	173	119	93	87	116
‡Other Western States	1	1	††	††	1	**6
Total bituminous and lignite	12,400	11,150	11,112	1,089	5,860	10,836
§Pennsylvania anthracite	1,362	1,357	1,112	657	1,641	1,974
Total all coal	13,762	12,507	12,224	1,746	7,501	12,810

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons.

Continental U. S. Engineering Construction $83,165,000 For Week

Civil engineering construction in continental U. S. for the week totals $83,165,000. This volume, not including the construction by military combat engineers, American contracts outside the country and shipbuilding, is 11% lower than a week ago, and 61% below the corresponding 1942 week as reported by "Engineering News-Record" on April 22. Private construction is 67% under last week, and 77% below last year. Public work declines 4% from the preceding week, and is 60% under a year ago. The report added:

The current week's construction brings 1943 volume to $1,171,009,000, an average of $73,188,000 for each of the sixteen weeks. On the weekly average basis, 1943 volume is 54% lower than the $2,709,514,000 reported for the seventeen-week period last year. Private construction, $123,147,000, is 46% below a year ago, and public work, $1,047,862,000, is down 55% when adjusted for the difference in the number of weeks.

Civil engineering construction volumes for the 1942 week, last week, and the current week are:

	Apr. 23, 1942	Apr. 15, 1943	Apr. 22, 1943
Total U. S. Construction	$214,369,000	$93,573,000	$83,165,000
Private Construction	15,658,000	11,064,000	3,616,000
Public Construction	198,711,000	82,509,000	79,549,000
State and Municipal	12,981,000	9,251,000	1,920,000
Federal	185,730,000	73,258,000	77,629,000

In the classified construction groups, gains over last week are in bridges, industrial and public buildings, and earthwork and drainage. All classes of work are lower than in the 1942 week. Subtotals for the week in each class of construction are: waterworks, $407,000; sewerage, $271,000; bridges, $248,000; industrial buildings, $1,004,000; commercial buildings, $2,422,000; public buildings, 54,100,000; earthwork and drainage, $1,155,000; streets and roads, $4,144,000; and unclassified construction, $19,414,000.

New capital for construction purposes for the week totals $699,000, and is made up of $571,000 in corporate security issues, and $128,000 in State and municipal bond sales. The week's new financing brings 1943 volume to $468,845,000, a total of 80% below the $2,445,625,000 reported for the seventeen-week period last year.

March Business Failures Continue to Decline

As recorded for some months business failures have been lower in number and liabilities involved than a year ago. March business failures follow these lines but the amount of the liabilities involved is higher than in February. Business insolvencies in March, according to Dun & Bradstreet, Inc., totaled 410 and involved $7,282,000 liabilities as compared with 422 involving $4,163,000 in February, 1943 and $1,048,000 involving $12,011,000 in March, 1942.

The decrease in the number of failures in March as well as the amount involved took place in only the retail and commercial service groups, while all the other groups in the divisions of trade that the report is divided into had a larger number of failures, as well as having the amounts involved greater.

Manufacturing failures last month amounted to 79, involving $4,144,000 liabilities, compared with 67 in February with $1,342,000 liabilities. Wholesale failures increased to 35 with $390,000 liabilities, from 34 with $329,000 liabilities in February. In the retail trade section insolvencies declined to 232 from 255 in February and liabilities dropped to $1,540,000 from $1,782,000 the previous month. Construction failures numbered 41 with $903,000 liabilities, which compares with 38 with $379,000 liabilities in February. Commercial service failures numbered 23 in March as compared with 28 in February and liabilities decreased to $305,000 in March from $331,000 in February.

When the country is divided into Federal Reserve Districts it is seen that the Boston, New York, St. Louis and Minneapolis Reserve Districts had more failures in March than in February and the Richmond and Atlanta Reserve Districts had the same number, while all of the remaining six districts had fewer failures last month than in February. When the amount of liabilities is considered, the Boston, New York, Philadelphia, Atlanta, Minneapolis and San Francisco Reserve Districts had more liabilities involved in March than in February and all of the other Reserve Districts had less.

March Living Cost Up 1%

Living costs of wage earners and lower-salaried clerical workers in the United States continued their upward movement with a rise of 1% in March, according to the National Industrial Conference Board. In its advices April 9 the Board said:

"Food prices again rose, this time 2.5% over February, and fuel and light was 0.4% higher than in January, due entirely to a 0.7% rise in the retail price of coal. Sundries were up 0.1%, while all other items remained unchanged.

"The Board's index of the cost of living (1923=100) stood at 102.8 in March, as compared with 101.8 in February, 104.4 in January, 101.0 in December, 100.3 in November, 99.7 in October, 98.6 in September, 98.1 in August, and 96.1 in March, 1942.

"The level of living costs was 7% higher than that of a year ago. Food showed the greatest advance over March, 1942, with an increase of 15.8%. Other advances during the 12 months were: Clothing, 3.3%; sundries, 3.2%; housing, 0.1%, and fuel and light, 2.4%.

"The purchasing value of the dollar, on the basis of 100 cents to the dollar in 1923, which amounted to 98.2 cents in February, declined to 97.3 cents in March. It stood at 98.6 in January, and 99.0 in December."

Daily Average Crude Oil Production For Week Ended April 17, 1943 Declined 41,850 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 17, 1943, was 3,907,100 barrels, a decrease of 41,850 barrels from the preceding week, and compares with an average of 3,545,000 barrels per day in the corresponding period a year ago. The current figure, however, was 279,000 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of April, 1943. Daily output for the four weeks ended April 17, 1943, averaged 3,917,500 barrels. Further details as reported by the Institute follow:

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. W. A. Recommendations April	*State Allowables Begin. April 1	Actual Production Week Ended April 17, 1943	Change from Previous Week	4 Weeks Ended April 17, 1943	Week Ended April 18, 1942
Oklahoma	379,300	379,300	†339,850	— 4,250	343,400	396,650
Kansas	309,900	309,900	†310,300	+ 1,000	310,800	253,100
Nebraska	2,600	------	†2,150	— 50	2,200	3,950
Panhandle Texas			91,000	----	89,800	87,300
North Texas			134,950	----	136,000	115,250
West Texas			214,400	+ 150	216,200	189,950
East Central Texas			99,700	----	99,750	79,500
East Texas			319,800	----	321,600	225,900
Southwest Texas			188,500	----	180,950	156,150
Coastal Texas			340,650	+ 100	346,600	229,750
Total Texas	1,502,000	‡1,500,342	1,389,000	+ 250	1,390,900	1,083,800
North Louisiana			88,300	— 650	88,900	76,550
Coastal Louisiana			257,900	----	254,250	248,600
Total Louisiana	359,300	379,300	346,200	— 650	343,150	325,150
Arkansas	78,600	73,789	71,650	+ 400	71,100	73,450
Mississippi	50,000		56,750	+ 1,750	55,000	96,350
Illinois	251,900		221,050	—47,750	238,500	294,850
Indiana	16,000		14,250	— 1,700	15,500	21,350
Eastern (not incl. Ill. and Indiana)	114,300		92,850	+ 650	94,000	98,250
Michigan	63,700		59,400	— 1,400	58,150	59,200
Wyoming	97,100		92,200	+ 2,300	91,100	93,800
Montana	24,600		20,250	----	19,000	21,600
Colorado	7,400		6,450	+ 150	6,500	4,900
New Mexico	105,700	105,700	97,250	— 50	94,850	79,200
Total East of Calif.	3,362,400		3,119,600	—49,350	3,134,150	2,905,600
California	823,700	§823,700	787,500	+ 7,500	783,350	639,400
Total United States	4,186,100		3,907,100	—41,850	3,917,500	3,545,000

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in January, 1943, as follows: Oklahoma, 27,900; Kansas, 5,800; Texas, 101,100; Louisiana, 19,800; Arkansas, 2,500; Illinois, 10,300; Eastern (not including Illinois and Indiana), 12,600; Michigan, 100; Wyoming, 2,300; Montana, 400; New Mexico, 5,700; California, 42,500.

†Oklahoma, Kansas, Nebraska figures are for week ended 7 a.m. April 14.

‡This is the net basic allowable as of April 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 15 days, the entire state was ordered shutdown for 11 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 11 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED APRIL 17, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
			Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis					
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,665	68.1	4,655	39,771	13,600	10,165
Appalachian	177	84.8	154	87.0	393	2,535	830	455
Ind., Ill., Ky.	811	85.0	683	84.2	2,210	19,692	3,475	2,436
Okla., Kansas, Mo.	416	80.1	339	81.5	1,000	7,130	1,632	1,345
Rocky Mountain	147	48.0	100	68.0	307	2,063	343	495
California	817	89.9	731	89.5	1,805	20,930	11,046	52,111
Tot. U. S. B. of M. basis April 17, 1943	4,812	86.2	3,672	76.3	10,370	†92,121	30,926	67,007
Tot. U. S. B. of M. basis April 10, 1943	4,812	86.2	3,677	76.4	10,182	93,212	30,906	67,185
U. S. Bur. of Mines basis April 18, 1942			3,537		10,958	104,226	28,995	81,921

*At the request of the Petroleum Administrator for War. †Finished, 81,783,000 barrels; unfinished, 10,338,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 3,911,000 barrels of gas oil and distillate fuel oil and 7,937,000 barrels of residual fuel oil produced in the week ended April 17, 1943, which compares with 3,823,000 barrels and 7,681,000 barrels, respectively, in the preceding week and 3,267,000 barrels and 6,869,000 barrels, respectively, in the week ended April 18, 1942.

Labor Bureau's Wholesale Commodity Index Remained Unchanged During Week Of April 17

The U. S. Department of Labor announced on April 22 that prices for farm products and foods advanced slightly in primary markets during the week ended April 17, but other markets were steady and the Bureau of Labor Statistics' comprehensive index of nearly 900 price series remained unchanged at the recent peak level of 103.5% of the 1926 average.

The Department further reported:

"**Farm Products and Foods:** Higher prices for grains, particularly corn, oats, and rye, together with further increases for fresh fruits and vegetables, and for eggs brought average prices for farm products up 0.1% during the week. Livestock declined 1.7% as a result of lower quotations for cows, steers and hogs, while calves were up. Cotton declined slightly and prices of hay dropped more than 2%.

"An advance of 2.4% for fruits and vegetables largely accounted for an increase of 0.4% in average prices for foods during mid-April. Sweet potatoes and onions rose more than 9%; white potatoes in some markets, about 5%; and apples were up by approximately 3% in Chicago and over 15% in New York. Flour prices were somewhat below the level of early April.

"Highehr quotations for linseed meal brought average prices for cattle feed up about 2%.

"**Industrial Commodities:** Industrial commodity markets continued steady except for highher prices for turpentine and lower prices for rosin and certain grades of crude rubber."

The following notation is made:

"During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, much be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports."

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for March 20, 1943 and April 18, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

Commodity groups—	4-17 1943	4-10 1943	4-3 1943	3-20 1943	4-18 1942	Percentage changes to April 17, 1943 from— 4-10 1943	3-20 1943	4-18 1942
All commodities	*103.5	*103.5	*103.4	*103.0	98.3	0	+0.5	+ 5.3
Farm products	*124.4	*124.3	124.7	122.4	105.2	+0.1	+1.6	+18.3
Foods	108.3	107.9	107.8	107.1	98.6	+0.4	+1.1	+ 9.8
Hides and leather products	118.4	118.4	118.4	118.4	119.8	0	0	— 1.2
Textile products	96.9	96.9	96.8	96.8	97.0	0	+0.1	— 0.1
Fuel and lighting materials	81.1	81.1	80.8	80.8	78.1	0	+0.4	+ 3.8
Metals and metal products	*103.9	*103.9	*103.9	*103.9	103.9	0	0	0
Building materials	110.3	110.3	110.4	110.4	108.8	0	—0.1	+ 1.4
Chemicals and allied products	100.1	100.1	100.1	100.0	97.1	0	+0.1	+ 3.1
Housefurnishing goods	104.2	104.2	104.2	104.2	104.4	0	0	— 0.2
Miscellaneous commodities	91.4	91.3	91.2	91.2	89.6	+0.1	+0.2	+ 2.0
Raw materials	*112.8	*112.7	112.8	111.5	99.9	+0.1	+1.2	+12.9
Semimanufactured articles	93.0	93.0	93.0	92.9	92.7	0	+0.1	+ 0.3
Manufactured products	*100.8	*100.8	*100.7	*100.6	98.6	0	+0.2	+ 2.2
All commodities other than farm products	*99.0	*99.0	*98.9	*98.8	96.9	0	+0.2	+ 2.2
All commodities other than farm products and foods	*96.8	*96.7	*96.7	*96.6	95.5	+0.1	+0.2	+ 1.4

*Preliminary.

Non-Ferrous Metals—Congress Moves To Stabilize Price Of Gold—Lead Sales Up

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of April 22, stated: "Except for some adjustments in ex-warehouse prices of metals that will be made when freight rates are cut back 6% on May 15, the non-ferrous metals industry looks for steady prices to continue for some time. Antimony is one of the products affected by the freight situation. Lead buying was in good volume during the last week. The position of both copper and zinc continues unchanged. Gold attracted attention because of the action taken by the Senate to remove the President's authority to devalue the dollar. The measure has yet to go before the House." The publication further went on to say in part:

Gold

Events in Washington last week indicate that the price of gold ($35 an ounce troy) is safe until the question of establishing its value on a world basis is raised when the subject of currency stabilization comes before the United Nations after peace has been concluded.

The Senate, on April 16, passed and sent to the House legislation to extend for two years the $2,000,000,000 currency stabilization fund, due to expire June 30. The bill failed to extend the President's authority to devalue the dollar in terms of gold. Secretary of the Treasury Morgenthau urged the Senate to retain the devaluation clause as a purely "defensive weapon."

On April 19, however, Secretary Morgenthau told the House Coinage Committee to approve the stabilization fund without asking for the renewal of the power to devalue the dollar.

Copper

The tension in the copper market so far as the war needs for the metal are concerned has moderated slightly in recent months. This encouraging development is attributed in part to a more realistic approach in Washington to the supply problem. Tonnages of copper allocated for next month proved to be better than some consumers had expected. Imports have been maintained at a high level and domestic output is running ahead of last year.

There was nothing new in the way of price developments, the quotation holding on the basis of 12¢, Valley.

Lead

Demand was in good volume, sales of common lead for the week amounting to almost double those in the week previous. April requirements of consumers have been covered, according to industry estimates, with the May position provided for to the extent of slightly more than 52%.

Representatives of the lead industry and WPB officials will meet in New York on April 27 to deliberate on the quantity of foreign lead to be released next month to supplement the domestic supply.

Zinc

The trade expects word shortly on the extent of May allocations. Production of High Grade zinc has increased to the point where the reserve supply is still growing. However, with the officials in Washington set to build larger stockpiles of most critical materials, the question as to whether controls might be relaxed cannot be raised at this time. The price situation has not changed, Prime Western continuing on the basis of 8.25¢, East St. Louis.

The American Smelting & Refining Co. has bought the mineral holdings of the Ozark Smelting & Mining Co., situated in the Magdalena area of New Mexico. The lead-zinc mining property is a subsidiary of Sherwin-Williams.

Platt C. Benedict, formerly with the Facilities Bureau of WPB, has been named Deputy Director of the Zinc Division, succeeding Walter C. Page, whose resignation was announced last week. Mr. Benedict, a geologist, in the past was associated with Newmont Mining and United Verde Copper.

Tin

The report of the United States-Bolivian Commission that investigated labor conditions at the tin mines is cooling in a State Department pigeonhole, and Washington wonders how much heat it will take to force it out into the open, according to "Business Week."

The price situation in tin remains unchanged. Straits quality metal for shipment, cents per pound, was as follows:

	April	May	June
April 15	52.000	52.000	52.000
April 16	52.000	52.000	52.000
April 17	52.000	52.000	52.000
April 19	52.000	52.000	52.000
April 20	52.000	52.000	52.000
April 21	52.000	52.000	52.000

Chinese tin, 99% grade, continued at 51.125¢ a pound.

Quicksilver

Consumers are experiencing no difficulty in obtaining quicksilver in quantity, particularly in reference to metal needed for the war program. Output in this country remains relatively high and imports are substantial, with Mexico contributing liberally. Quotations in New York continued at $196 @ $198 per flask.

Silver

During the past week the silver market in London has been quiet, with the price unchanged at 23½d.

The New York Official and the Treasury prices are unchanged at 44¾¢ and 35¢, respectively.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

NYSE Short Interest Higher On Mar. 31

The New York Stock Exchange announced on April 16 that the short interest existing as of the close of business on the March 31 settlement date, as compiled from information obtained by the Stock Exchange from its members and member firms, was 774,871 shares, compared with 663,750 shares on Feb. 26, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the March 31 settlement date, the total short interest in all odd-lot dealers' accounts was 36,660 shares, compared with 35,867 shares, on Feb. 26.

The Exchange's announcement further said:

"Of the 1,239 individual stock issues listed on the Exchange on March 31, there were 45 issues in which a short interest of more than 5,000 shares existed, or in which a change in the short position of more than 2,000 shares occurred during the month.

"The number of issues in which a short interest was reported as of March 31, exclusive of odd-lot dealers' short positions, was 594 compared with 552 on Feb. 26."

In the following tabulation is shown the short interest existing at the close of the last business day for each month for the last two years:

1941—	
Mar. 31	537,613
April 30	510,969
May 29	496,892
June 30	478,859
July 31	487,169
Aug. 29	470,002
Sept. 30	486,912
Oct. 31	444,745
Nov. 28	453,244
Dec. 31	349,154
1942—	
Jan. 31	460,577
Feb. 27	489,223
Mar. 31	513,546
April 30	530,636
May 29	534,396
June 30	514,158
July 31	*517,422
Aug. 31	532,867
Sept. 30	548,365
Oct. 30	558,446
Nov. 30	551,053
Dec. 31	501,833
1943—	
Jan. 29	579,394
Feb. 26	663,750
Mar. 31	774,871

*Revised.

Trading On New York Exchanges

The Securities and Exchange Commission made public April 24 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended April 10, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended April 10 (in round-lot transactions) totaled 4,787,643 shares, which amount was 17.05% of the total transactions on the Exchange of 14,039,040 shares. This compares with member trading during the week ended April 3 of 3,445,519 shares or 16.04% of total trading of 10,739,520 shares. On the New York Curb Exchange, member trading during the week ended April 10 amounted to 911,475 shares, or 17.39% of the total volume of that Exchange of 2,621,280 shares; during the April 3 week trading for the account of Curb members of 567,685 shares was 15.70% of total trading of 1,808,200 shares.

The Commission made available the following data for the week ended April 10.

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	945	683
1. Reports showing transactions as specialists	173	78
2. Reports showing other transactions initiated on the floor	220	63
3. Reports showing other transactions initiated off the floor	269	117
4. Reports showing no transactions	405	451

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED APRIL 10, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	243,190	
‡Other sales	13,795,850	
Total sales	14,039,040	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	1,300,420	
Short sales	134,440	
‡Other sales	1,042,020	
Total sales	1,176,460	8.82
2. Other transactions initiated on the floor—		
Total purchases	757,780	
Short sales	29,000	
‡Other sales	664,770	
Total sales	693,770	5.17
3. Other transactions initiated off the floor—		
Total purchases	469,640	
Short sales	34,760	
‡Other sales	354,813	
Total sales	389,573	3.06
4. Total—		
Total purchases	2,527,840	
Short sales	198,200	
‡Other sales	2,061,603	
Total sales	2,259,803	17.05

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED APRIL 10, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	14,605	
‡Other sales	2,606,675	
Total sales	2,621,280	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	236,310	
Short sales	11,980	
‡Other sales	243,700	
Total sales	255,680	9.39
2. Other transactions initiated on the floor—		
Total purchases	122,440	
Short sales	900	
‡Other sales	90,120	
Total sales	91,020	4.07
3. Other transactions initiated off the floor—		
Total purchases	65,340	
Short sales	700	
‡Other sales	139,985	
Total sales	140,685	3.93
4. Total—		
Total purchases	424,090	
Short sales	13,580	
‡Other sales	473,805	
Total sales	487,385	17.39
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	77,351	
Total purchases	77,351	
Total sales	61,121	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Bankers' Dollar Acceptances Outstanding On March 31 Increased To $129,818,000

The volume of bankers' dollar acceptances outstanding on March 31 totaled $129,818,000, an increase of $2,756,000 from the February 27 figure, according to the monthly acceptance survey issued April 19 by the Federal Reserve Bank of New York. Despite the continued gain in the last four months, the total is still $52,857,000 below a year ago.

The monthly advance was due to increases in credits for imports and domestic shipments, while in the year-to-year comparison all branches were below the March 31, 1942 figures.

The Reserve Bank's report follows:

BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	Mar. 31, '43	Feb. 27, '43	Mar. 31, '42
1 Boston	$24,129,000	$24,921,000	$31,301,000
2 New York	75,663,000	71,646,000	113,135,000
3 Philadelphia	5,121,000	5,423,000	9,844,000
4 Cleveland	2,024,000	1,968,000	3,943,000
5 Richmond	2,597,000	1,667,000	919,000
6 Atlanta	2,564,000	2,588,000	2,998,000
7 Chicago	4,961,000	4,611,000	5,270,000
8 St. Louis	676,000	387,000	884,000
9 Minneapolis	204,000	164,000	223,000
10 Kansas City	------	------	------
11 Dallas	867,000	775,000	3,101,000
12 San Francisco	11,012,000	12,912,000	11,052,000
Grand Total	$129,818,000	$127,062,000	$182,675,000

Increase for month $2,756,000 Decrease for year $52,857,000

ACCORDING TO NATURE OF CREDIT

	Mar. 31, '43	Feb. 27, '43	Mar. 31, '42
Imports	$68,740,000	$59,917,000	$103,352,000
Exports	11,614,000	14,398,000	17,356,000
Domestic shipments	12,990,000	11,586,000	15,388,000
Domestic warehouse credits	26,268,000	29,164,000	29,116,000
Dollar exchange	315,000	403,000	1,764,000
Based on goods stored in or shipped between foreign countries	9,891,000	11,594,000	15,699,000

BILLS HELD BY ACCEPTING BANKS

Own Bills $61,526,000 Bills of Others $38,984,000 Total $100,510,000
Decrease for month $1,447,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES APRIL 19,1943

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	½	7/16
60	½	7/16
90	½	7/16
120	9/16	½
150	⅝	9/16
180	⅝	9/16

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since April 30, 1940:

1940—		1941—		1942—	
Apr. 20	$223,305,000	Apr. 30	$219,561,000	Apr. 30	$177,293,000
May 31	213,685,000	May 31	215,005,000	May 29	173,906,000
June 29	206,149,000	June 30	212,932,000	June 30	162,849,000
July 31	188,350,000	July 31	209,899,000	July 31	156,302,000
Aug. 31	181,813,000	Aug. 30	197,472,000	Aug. 31	139,304,000
Sept. 30	176,614,000	Sept. 30	176,801,000	Sept. 30	123,494,000
Oct. 31	186,786,000	Oct. 31	184,806,000	Oct. 31	118,581,000
Nov. 30	196,683,000	Nov. 29	193,590,000	Nov. 30	116,067,000
Dec. 31	208,659,000	Dec. 31	194,220,000	Dec. 31	118,039,000
1941—		1942—		1943—	
Jan. 31	$212,777,000	Jan. 31	$197,278,000	Jan. 30	$119,682,000
Feb. 28	211,865,000	Feb. 28	190,010,000	Feb. 27	127,062,000
Mar. 31	217,312,000	Mar. 31	182,675,000	Mar. 31	129,818,000

National Fertilizer Association Commodity Price Average Slightly Lower

A slight decline in the general level of wholesale commodity prices was registered last week by the price index compiled by the National Fertilizer Association and made public April 26 which dropped to 135.7 from 135.8 in the preceding week. A month ago this index was 135.5 and a year ago 128.0, based on the 1935-1939 average as 100. The Association's report added:

The fractional decline in the all-commodity index was due mainly to lower prices for certain livestock, and for building materials. Price fluctuations continued within narrow limits last week, with activity mainly confined to the farm products group. The index of industrial commodities continued unchanged for the third consecutive week. Cotton and grain quotations were somewhat higher, but the effect of this in the farm products index was more than counterbalanced by moderate declines in cattle and hog prices. The building materials index declined slightly due to a drop in the price of linseed oil. The textile index advanced fractionally. After rising for seven consecutive weeks the food index remained unchanged at a high point. All other group indexes remained at the previous week's level.

During the week changes in the index were quite evenly balanced, with eight price series advancing and seven declining; in the preceding week there were ten declines and eight advances; in the second preceding week there were 11 declines and four advances.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week Apr. 24 1943	Preceding Week Apr. 17 1943	Month Ago Mar. 20 1943	Year Ago Apr. 25 1942
25.3	Foods	139.5	139.5	138.2	126.0
	Fats and Oils	147.7	147.7	148.0	138.0
	Cottonseed Oil	159.0	159.0	160.1	159.3
23.0	Farm Products	154.2	154.3	155.1	138.4
	Cotton	201.5	200.5	200.9	191.6
	Grains	142.5	141.3	139.0	114.6
	Livestock	149.2	150.1	151.9	134.3
17.3	Fuels	122.2	122.2	121.8	117.4
10.8	Miscellaneous commodities	130.4	130.4	130.4	128.7
8.2	Textiles	151.4	151.2	151.4	149.2
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.2	152.3	152.2	151.7
1.3	Chemicals and drugs	126.6	126.6	127.0	120.7
.3	Fertilizer materials	117.9	117.9	117.6	118.7
.3	Fertilizers	119.8	118.8	119.8	115.3
.3	Farm machinery	104.1	104.1	104.1	104.1
100.0	All groups combined	135.7	135.8	135.5	128.0

*Indexes on 1926-1928 base were April 24, 1943, 135.7; April 17, 105.8; April 25, 1942, 99.7.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on April 24 a summary for the week ended April 17 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended April 17, 1943

	Total for Week
Odd-Lot Sales by Dealers: (Customers' purchases)	
Number of Orders	24,064
Number of Shares	680,911
Dollar Value	22,229,474
Odd-Lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	285
*Customers' other sales	21,222
Customers' total sales	21,507
Number of Shares:	
Customers' short sales	8,518
*Customers' other sales	553,392
Customers' total sales	561,910
Dollar value	16,690,044
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	170
†Other sales	135,890
Total sales	136,060
Round-Lot Purchases by Dealers—	
Number of shares	195,550

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

First Quarter Construction Contracts Over A Billion

Construction contracts awarded in the 37 eastern States during the first quarter of this year reached a total of $1,083,876,000, according to F. W. Dodge Corporation on April 18. While this was a decline of 20% from the high record total of the first quarter of 1942, it was slightly in excess of 1941's first-quarter total. The Dodge report added:

Non-residential building contracts declined only 7% in dollar volume, as compared with the first three months of 1942. Hospitals, social and recreational buildings, and miscellaneous war buildings increased in volume. Industrial plant contracts continued in very large volume, compared with peacetime records; they amounted to $224,536,000, a decline of only 18% from the first quarter of last year.

Residential building contracts, amounting to $275,893,000, were down 44%; the decline in number of new dwelling units was 36%. Within the residential classification apartment building contracts, amounting to $95,697,000, were more than double the amount recorded in the first quarter of 1942, indicating something of a shift in the make-up of the war housing program. Heavy engineering contracts (public works and utilities) were down only 7% in dollar volume, as compared with the first quarter of 1942.

Commenting on the first quarter record, Thomas S. Holden, President of F. W. Dodge Corporation, stated: "Current tapering of the war construction program is gradual, and current volume compares favorably with that of pre-war years.

"The recorded figures picture only the domestic market for construction materials; overseas shipments of materials to various military fronts constitute an added factor of some consequence, though for military reasons no data on it are available to the public."

Revenue Freight Car Loadings During Week Ended April 17, Amounted To 780,908 Cars

Loading of revenue freight for the week ended April 17, 1943 totaled 780,908 cars, the Association of American Railroads announced on April 22. This was a decrease below the corresponding week of 1942, of 65,597 cars, or 7.8%, but an increase above the same week in 1941, of 72,115 cars or 10.2%.

Loading of revenue freight for the week of April 17, decreased 8,110 cars, or 1% below the preceding week.

Miscellaneous freight loading totaled 376,894 cars, a decrease of 4,522 cars below the preceding week, and a decrease of 2,538 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 98,285 cars, a decrease of 1,234 cars below the preceding week, and a decrease of 31,201 cars below the corresponding week in 1942.

Coal loading amounted to 170,024 cars, a decrease of 3,807 cars below the preceding week, but an increase of 3,282 cars above the corresponding week in 1942.

Grain and grain products loading totaled 42,589 cars, an increase of 630 cars above the preceding week, and an increase of 6,414 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of April 17 totaled 29,093 cars, an increase of 271 cars above the preceding week and an increase of 6,204 cars above the corresponding week in 1942.

Live stock loading amounted to 15,154 cars, an increase of 1,389 cars above the preceding week, and an increase of 2,353 cars above the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of April 17, totaled 12,127 cars, an increase of 1,547 cars above the preceding week, and an increase of 2,011 cars above the corresponding week in 1942.

Forest products loading totaled 41,401 cars, a decrease of 1,258 cars below the preceding week and a decrease of 8,296 cars below the corresponding week in 1942.

Ore loading amounted to 21,629 cars, an increase of 433 cars above the preceding week but a decrease of 36,624 cars below the corresponding week in 1942.

Coke loading amounted to 14,932 cars, an increase of 259 cars above the preceding week, and an increase of 1,013 cars above the corresponding week in 1942.

All districts reported decreases compared with the corresponding week in 1942, except the Southwestern, but all districts reported increases above the correspondiing week in 1941 except th Northwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
4 weeks of March	3,073,426	3,174,781	3,066,011
Week of April 3	772,133	829,038	683,402
Week of April 10	789,018	814,096	679,808
Week of April 17	780,908	846,505	708,793
Total	12,001,974	12,645,341	11,458,988

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 17, 1943. During this period only 42 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS)—WEEK ENDED APRIL 17

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	263	538	557	1,548	1,444
Bangor & Aroostook	1,655	2,543	1,690	257	293
Boston & Maine	6,037	7,870	7,622	14,869	16,715
Chicago, Indianapolis & Louisville	1,549	1,570	961	1,933	2,045
Central Indiana	46	40	11	51	66
Central Vermont	1,037	1,131	1,427	2,227	2,168
Delaware & Hudson	6,563	7,101	4,820	12,628	13,104
Delaware, Lackawanna & Western	7,605	8,645	8,539	12,204	9,878
Detroit & Mackinac	236	293	266	113	123
Detroit, Toledo & Ironton	1,764	1,931	1,847	1,483	1,249
Detroit & Toledo Shore Line	326	323	380	2,948	3,181
Erie	12,190	14,715	15,002	19,793	16,523
Grand Trunk Western	3,686	4,462	6,286	8,649	8,227
Lehigh & Hudson River	145	184	326	3,545	3,919
Lehigh & New England	2,049	2,363	1,455	1,780	2,025
Lehigh Valley	7,020	9,634	7,720	14,565	12,368
Maine Central	2,145	2,704	2,738	3,385	4,608
Monongahela	6,711	6,709	450	430	397
Montour	2,369	2,301	35	43	36
New York Central Lines	52,579	47,706	46,115	53,774	56,270
N. Y., N. H. & Hartford	9,893	11,872	11,257	19,251	20,868
New York, Ontario & Western	894	1,001	832	2,375	3,281
New York, Chicago & St. Louis	6,036	7,684	6,437	15,963	15,014
N. Y., Susquehanna & Western	632	535	468	2,073	1,533
Pittsburgh & Lake Erie	7,454	8,568	6,691	9,075	8,553
Pere Marquette	4,933	5,970	6,759	7,980	6,377
Pittsburg & Shawmut	758	774	56	21	26
Pittsburg, Shawmut & North	331	442	195	257	313
Pittsburgh & West Virginia	976	897	422	3,477	3,071
Rutland	342	483	631	977	1,044
Wabash	5,372	5,620	5,936	12,299	11,797
Wheeling & Lake Erie	4,759	4,972	4,254	5,420	4,826
Total	158,355	171,581	152,185	235,393	231,342
Allegheny District—					
Akron, Canton & Youngstown	738	672	638	1,213	989
Baltimore & Ohio	40,509	40,376	29,480	29,304	27,321
Bessemer & Lake Erie	2,731	5,443	4,696	1,605	2,021
Buffalo Creek & Gauley	295	314	5	4	2
Cambria & Indiana	1,923	1,889	6	*22	11
Central R. R. of New Jersey	6,632	7,995	7,375	22,387	21,365
Cornwall	690	672	666	106	79
Cumberland & Pennsylvania	232	282	53	13	14
Ligonier Valley	146	142	29	42	47
Long Island	1,240	841	814	3,827	3,414
Penn-Reading Seashore Lines	1,706	1,733	1,539	3,091	2,578
Pennsylvania System	77,234	82,840	67,958	68,325	63,618
Reading Co.	15,967	17,083	15,777	29,447	30,168
Union (Pittsburgh)	20,464	21,251	20,647	4,103	5,568
Western Maryland	4,049	4,229	2,231	13,311	13,043
Total	174,547	185,762	151,914	176,800	170,238
Pocahontas District—					
Chesapeake & Ohio	29,272	28,143	8,883	13,753	13,382
Norfolk & Western	22,771	24,069	7,533	7,398	7,370
Virginian	4,779	4,784	553	2,076	1,855
Total	56,822	56,996	16,969	23,227	22,607
Southern District—					
Alabama, Tennessee & Northern	264	352	340	292	348
Atl. & W. P.—W. R. R. of Ala.	821	924	896	2,587	2,313
Atlanta, Birmingham & Coast	756	781	785	1,396	1,210
Atlantic Coast Line	14,874	13,652	13,255	11,427	9,225
Central of Georgia	4,305	4,350	4,834	5,241	4,326
Charleston & Western Carolina	466	450	529	1,739	1,825
Clinchfield	1,629	1,765	1,637	2,768	2,810
Columbus & Greenville	328	388	263	220	221
Durham & Southern	98	194	169	456	423
Florida East Coast	2,742	2,086	1,051	2,120	1,344
Gainesville Midland	49	41	39	166	100
Georgia	2,601	1,436	1,141	2,289	2,461
Georgia & Florida	335	386	388	626	605
Gulf, Mobile & Ohio	3,795	4,889	3,995	5,033	3,628
Illinois Central System	25,768	28,121	22,517	17,333	15,265
Louisville & Nashville	24,865	27,638	15,127	11,110	10,351
Macon, Dublin & Savannah	195	171	175	927	757
Mississippi Central	254	183	156	462	510
Nashville, Chattanooga & St. L.	3,314	3,340	3,654	5,154	3,994
Norfolk Southern	1,129	1,359	1,487	1,437	1,558
Piedmont Northern	365	483	513	1,272	1,235
Richmond, Fred. & Potomac	403	573	385	10,932	10,163
Seaboard Air Line	11,280	11,134	10,380	8,553	7,593
Southern System	21,749	25,973	24,307	24,868	23,323
Tennessee Central	469	740	604	980	970
Winston-Salem Southbound	120	124	141	1,073	871
Total	122,974	131,534	108,763	120,461	107,429
Northwestern District—					
Chicago & North Western	17,209	21,368	21,135	11,902	12,250
Chicago Great Western	2,706	2,702	2,596	2,960	3,142
Chicago, Milw., St. P. & Pac.	19,087	20,058	19,092	10,849	9,310
Chicago, St. Paul, Minn. & Omaha	2,847	3,560	3,350	3,624	3,452
Duluth, Missabe & Iron Range	1,837	16,585	21,910	293	293
Duluth, South Shore & Atlantic	505	1,036	1,490	680	567
Elgin, Joliet & Eastern	8,472	10,144	9,566	10,835	10,347
Ft. Dodge, Des Moines & South	452	658	513	118	136
Great Northern	10,715	18,699	20,169	5,493	4,264
Green Bay & Western	465	563	603	908	699
Lake Superior & Ishpeming	471	1,991	4,567	41	68
Minneapolis & St. Louis	1,985	2,310	1,746	2,396	2,229
Minn., St. Paul & S. S. M.	5,395	6,642	6,933	2,753	3,058
Northern Pacific	9,251	10,815	9,540	5,210	4,527
Spokane International	124	119	186	704	325
Spokane, Portland & Seattle	2,369	2,668	2,460	3,052	2,808
Total	83,890	119,918	125,856	61,818	57,475
Central Western District—					
Atch., Top. & Santa Fe System	22,164	22,632	19,687	13,963	10,178
Alton	2,903	3,492	3,170	3,839	3,778
Bingham & Garfield	481	619	741	70	80
Chicago, Burlington & Quincy	16,658	15,739	13,932	11,306	9,831
Chicago & Illinois Midland	2,866	2,534	232	737	844
Chicago, Rock Island & Pacific	12,714	11,998	11,957	13,232	10,477
Chicago & Eastern Illinois	2,656	2,409	2,336	5,829	3,173
Colorado & Southern	705	915	681	1,832	1,721
Denver & Rio Grande Western	3,077	2,399	1,382	5,335	4,645
Denver & Salt Lake	577	371	156	22	14
Fort Worth & Denver City	868	990	1,010	2,165	1,083
Illinois Terminal	1,762	1,930	1,715	2,152	2,134
Missouri-Illinois	1,038	1,421	1,007	566	438
Nevada Northern	1,948	2,022	1,950	132	147
North Western Pacific	1,068	939	761	583	386
Peoria & Pekin Union	8	13	9	0	0
Southern Pacific (Pacific)	24,324	27,911	25,812	15,695	9,908
Toledo, Peoria & Western	259	297	334	1,653	1,192
Union Pacific System	13,177	15,003	14,367	14,874	11,396
Utah	576	366	2	6	5
Western Pacific	1,871	1,873	1,642	4,479	3,276
Total	111,700	115,923	102,883	98,470	74,706
Southwestern District—					
Burlington-Rock Island	1,037	161	141	255	200
Gulf Coast Lines	6,551	5,645	3,997	2,690	2,925
International-Great Northern	2,526	2,511	1,794	4,365	3,649
Kansas, Oklahoma & Gulf	352	223	206	922	1,148
Kansas City Southern	5,394	4,568	2,178	3,128	2,471
Louisiana & Arkansas	3,167	3,220	2,349	2,850	1,995
Litchfield & Madison	311	384	359	1,066	1,241
Midland Valley	649	596	468	922	309
Missouri & Arkansas	143	222	180	389	480
Missouri-Kansas-Texas Lines	5,846	6,047	4,045	7,302	4,121
Missouri Pacific	16,865	15,722	13,192	18,670	15,259
Quanah Acme & Pacific	62	104	133	404	170
St. Louis-San Francisco	8,513	8,090	6,660	7,967	7,320
St. Louis Southwestern	3,400	3,406	2,595	5,617	5,240
Texas & New Orleans	13,430	9,671	7,957	5,726	4,211
Texas & Pacific	4,259	4,049	3,832	7,683	5,593
Wichita Falls & Southern	102	123	122	29	35
Weatherford M. W. & N. W.	13	44	9	23	30
Total	72,620	64,791	50,218	70,013	56,397

*Previous week's figure.

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1943—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
Jan. 2	126,844	97,386	379,573	62	84
Jan. 9	134,982	129,365	381,713	82	82
Jan. 16	157,251	137,055	397,437	88	85
Jan. 23	143,028	140,849	398,594	88	86
Jan. 30	152,358	136,645	413,084	88	86
Feb. 6	169,417	140,836	439,304	89	87
Feb. 13	148,687	137,784	446,981	87	87
Feb. 20	141,435	142,932	445,982	91	88
Feb. 27	156,628	147,085	454,308	94	88
Mar. 6	175,178	147,830	480,802	93	89
Mar. 13	166,885	146,062	498,927	93	89
Mar. 20	155,116	149,096	504,414	92	90
Mar. 27	139,911	150,754	488,197	95	90
Apr. 3	172,412	153,030	511,220	95	90
Apr. 10	153,260	153,006	510,784	95	91
Apr. 17	164,805	152,494	515,700	96	92

Notes—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Report On British Manpower Problems In Financial Field

A detailed report based on British war experience and compiled from extensive research into wartime manpower problems of financial institutions in England, has been reprinted in limited edition by the Guaranty Trust Company of New York. The report was originally presented to Parliament by a Committee on Manpower in Banking and Allied Businesses, in Ordinary Insurance, and in Industrial Assurance.

In announcing publication of the report in this country, by permission of the Controller of his Britannic Majesty's Stationery Office, Eugene W. Stetson, President of the Guaranty Trust Co., stated on April 21 that copies were being distributed to a number of banks, insurance companies, brokers and Stock Exchange firms, in the belief that the findings and recommendations of the three-panel committee that conducted the investigation in England would be of interest and value to businesses allied with the financial field in the United States, many of which now face manpower problems similar to those already experienced in England. It is pointed out by the Guaranty Trust that the report emphasizes the essential nature of banking in the war effort, and at the same time points out how the various types of financial institutions can make their full contributions to the country's manpower needs without harmfully curtailing the vital public services that such institutions render. The report is quoted as stating:

"Banking is not an industry in which concentration of production in the normal sense is possible, inasmuch as there exists no effective means of rationing the services it provides, and it is not desirable to impede the mobilization of credit for industry. Many of the so-called luxury services rendered by the banks are in fact time-saving and for the public good, and for the banks to give them up would merely transfer the work to other users of manpower."

The Trust Company's announcement regarding the report also says:

The report reveals that at the outbreak of the war there were approximately 85,000 men and women employed in the banking industry proper in England, about 66,000 of whom were men. Since September, 1939, with a few exceptions, 55% of the pre-war male managerial and clerical employees have been called into the armed forces. To replace them older men, men unfit for military service, and large numbers of women, have been recruited. In the Clearing Banks, for example, the number of women employed has increased from 13,265 to 27,473, making roughly 42% of the present total labor force. The banks have thus considerably diluted their skilled staffs, notwithstanding a full measure of wartime tasks and difficulties and an increase in their total work.

Concerning stock exchanges, the report reveals that the numbers employed in the London Stock Exchange have fallen from 14,000 in September, 1939, to 6,052 and in the provincial Stock Exchanges, from 4,164 to 1,967.

In ordinary insurance, the number of men employed has dropped from 46,000 to 25,000, and women have increased from 24,000 to 29,000. Of the total number of men employed at the time of the report, at least half were under 18 or over 41 years old, and of the other half about 20% were awaiting calls to military service.

Items About Banks, Trust Companies

The Board of Trustees of the New York Trust Co. has determined that the 100,000 shares of additional capital stock of the company, of the par value of $25 per share, to be issued, was offered to stockholders of record at the close of business yesterday (April 28). The stockholders ratified the increase in stock at a special meeting yesterday. Under the proposal present stockholders will be offered the new stock on the basis of one share for each five shares now held. John E. Bierwith, President of the trust company, informed stockholders on April 20 that the price at which the additional shares will be offered has not yet been determined by the trustees but that the company is negotiating with Morgan Stanley & Co. and associates for an underwriting of the offering. Plans for the increase were noted in these columns April 8, page 1297.

The Uniform Practice Committee of District No. 13, National Association of Securities Dealers, Inc., announces that the stock will be "ex-rights" beginning today (April 29), unless otherwise agreed at the time of the transaction.

Eugene W. Stetson, President of the Guaranty Trust Co. of New York, announced on April 22 the appointment of Alfred R. Thomas as a Vice-President of the company. For the last year he has been a Second Vice-President, and with his new appointment continues to be identified with the company's banking relationships in the Pacific Coast territory. Mr. Thomas was formerly Executive Vice-President of the First Trust & Savings Bank of Pasadena, Calif., and late in 1941 resigned that post to take charge of the Priorities Division of the War Production Board for the southern California area. Prior to his association with the First Trust & Savings Bank he was engaged in the investment banking business in Pasadena, where he was successively with Blyth & Co. and Chase Securities Co. He was graduated from Cornell University in 1923 with the degree of Mechanical Engineer. He is a past President of the California Bankers Association.

Frederic A. Williams, President and director of Cannon Mills, Inc., of New York, it was announced on April 22, has become a member of the Advisory Board of the 320 Broadway Office of the Chemical Bank & Trust Co. Mr. Williams is also Vice-President of Cannon Mills Co. of Kannapolis, N. C., and a director and member of the Executive Committee of the Association of Cotton Textile Merchants of New York. Mr. Williams has had long association with the cotton textile industry. For several years he has headed the Textile Division of the Salvation Army, which division was given an "E" award in March, 1943, for having the highest percentage increase in the winter drive for funds.

Norman W. Ward has been appointed an Assistant Vice-President of the Franklin Savings Bank, New York City, effective May 1. Mr. Ward was formerly a Vice-President of the New York real estate firm of Brett, Wyckoff, Potter & Hamilton, Inc.

Robert M. Catherine, President of the Dollar Savings Bank of New York City, announces the election of William A. Gray to the Board of Trustees. Mr. Gray is head of William A. Gray Co., insurance brokers.

At the annual meeting of the Group Five Mortgage Information of the Savings Banks of Brooklyn and Queens dealing with their mortgage and real estate problems, George C. Johnson, Treasurer of the Dime Savings Bank of Brooklyn, was elected Chairman of the Executive Committee for the coming year. Fred Gretch, President of the Lincoln Savings Bank of Brooklyn and the retiring Chairman, presided at the meeting at which Elliott V. Bell, Superintendent of Banks, was guest of honor and the speaker. Mr. Bell addressed the meeting on the subject of savings banks' problems.

Elected to serve with Mr. Johnson on the Executive Committee were Mr. Gretch, Edward G. Carstens, Executive Vice-President of the Williamsburgh Savings Bank; Paul W. Connelly, President of the Fulton Savings Bank, and Judge Edward A. Richards, President of the East New York Savings Bank.

The Bank of Gouverneur, Gounernour, N. Y., has been admitted to membership in the Federal Reserve System, effective April 16. The new member bank, which was incorporated in 1879, had total assets of $2,900,000 on March 31. James O. Sheldon is President of the institution.

William Darling, President of the First National Bank & Trust Co., Summit, N. J., died on April 24 at his home in Summit. He was 70 years old. Mr. Darling was President of the bank for the last 20 years. A native of New York, Mr. Darling was formerly associated with the Hanover National Bank of New York, now the Central Hanover Bank & Trust Co., and also at one time was head of the William Darling Press in New York.

Samuel H. Squire, President of the Tiffin (Ohio) National Bank and former Ohio Superintendent of Banking, died on April 18 in Tiffin. He was 69 years old. Mr. Squire was State banking head for five years prior to his resignation in 1940 to become President of the Tiffin bank. He began his banking career in 1891 with the old First National Bank in Elyria, his native city, and was Executive Vice-President of this institution when it merged with another bank in 1922 to form the Lorain County Savings & Trust Co., Elyria. Mr. Squire was President of this latter institution when Governor Martin L. Davey drafted him as Ohio's Superintendent of Banks. He served two terms under Governor Davey and one year under Governor John Bricker, resigning in 1940.

The Federal Reserve Bank of Cleveland announces that the Lorain County Savings & Trust Co., Elyria, Ohio, has been admitted to membership in the Federal Reserve System. The bank was organized in 1895 as the Lorain County Banking Co., but in 1915 changed to its present name. The bank has capital of $750,000, surplus of $368,000, and deposits of $12,000,000. Arthur E. Taylor, who has been active in Ohio banking circles since 1893, is President and a director of the Lorain bank.

The Loramie Banking Co., Fort Loramie, Ohio, has been admitted to membership in the Federal Reserve System, it was recently announced by M. J. Fleming, President of the Federal Reserve Bank of Cleveland. The bank, incorporated in 1915 as successor to a private bank of the same name which began business in 1904, has total deposits of approximately $800,000. George Guenther is President of the institution.

Directors of the National Bank of Commerce, Memphis, Tenn., have increased the bank's surplus account to $2,000,000 by the addition of $400,000. The bank now has a capital of $1,000,000, surplus of $2,000,000, undivided profits of $326,429, and a contingency reserve fund of $202,566, which makes a total capital structure of $3,528,996.

In reporting this the Memphis "Commercial Appeal" of April 14 also said:

"In addition, the bank has in reserve $302,859 to cover accrued taxes, interest and expenses, according to R. B. Barton, President.

"The deposits of the National Bank of Commerce now are $62,279,054, and approximately one-third is invested in United States Government securities, Mr. Barton said."

ABA To Hold Annual Meeting In N. Y. In Sept.; Will Be Devoted To War Service And Business

The American Bankers Association, which omitted its convention in 1942 because of wartime transportation conditions, will hold a war service and business meeting in New York this year, it is announced by W. L. Hemingway, President of the association, who is President of the Mercantile-Commerce Bank and Trust Co. of St. Louis, Mo. The meeting will take place in New York at The Waldorf-Astoria in the week beginning Sept. 13. It will be a streamlined meeting, shorter than the usual convention, devoted to the business of the Association and its members, with emphasis on war service. In deference to the transportation situation it is planned that the attendance will be limited to not more than one member from each bank. There will be no entertainment or social features.

In announcing the decision of the Executive Council, Mr. Hemingway stated that a major part of the activities of the nation's banks now consists of war activities. He added:

"The banks are being called upon by the government more and more to perform war services, and the problems banks have arise largely out of these duties. The American Bankers Association is the coordinating and liaison agency in these matters. It is important that its members have the opportunity to meet for their discussion, to discharge essential Association business and to continue the function efficiency of their organization through the review of their activities, and election of necessary officers, etc."

The decision to hold the annual meeting was reached at the Spring meeting of the Executive Council in New York last week. Before the matter of a convention was taken up by the Executive Council a survey of the hotel situation in the cities with facilities large enough to take care of an ABA meeting was made. It was decided that the comfort of the delegates could be better provided for in New York where there is not so much war industry and where the hotels are less crowded.

ABA Council Recommends New Machinery To Provide For Special Elections In Emergency

Revision of the constitution of the American Bankers Association in certain important particulars to bring them into line with requirements of current conditions was recommended by the Executive Council of the ABA to the membership of the Association at the close of its recent annual Spring meeting in New York. These recommendations will be voted upon by the membership at its next meeting or convention in September.

The principal changes proposed are provisions for the election of the officers of the Association by the Executive Council when and if the annual convention of the Association has to be omitted because of war or other national emergency, provision for the election of officers of the divisions and the State Secretaries Section by their executive committees through a vote taken by mail in the event of such emergency, and the elimination of the office of Second Vice President.

The Association reports that the provisions for election of officers in the absence of a convention are contained in a new section added to Article VII of the constitution under the heading, "Emergency Functions of the Executive Council." They provide that if the convention has to be omitted because of war or other emergency, the council "is empowered to nominate, elect, and install a President and a Vice President" at a special meeting called under other provisions of the constitution, "and to do and perform all other acts authorized to be done and performed by the general convention." It is also provided, however, that nominations may be submitted to the council by the nominating committee. In making this known April 14 the Association further said:

"The provision for election of Division and Section Presidents and Vice-Presidents is a measure for use only when a special meeting of the Executive Council is held in place of a general convention because of war or other emergency. Under the constitution the new council must meet for organization within 48 hours of the close of the convention. Applying this requirement to an emergency council meeting held in place of a convention the divisions and State Secretaries Section would have to hold their elections prior to the special meeting in order to have new officers present to qualify for the organization meeting of the council.

"Therefore, it is provided in the amendments that the executive committees of the Divisions and the board of control of the State Secretaries Section shall elect these officers and that they are authorized to do so by a mail vote.

"The elimination of the office of Second Vice-President is proposed to shorten the length of time that an officer may have to spend in going through the Association's chairs.

"The outbreak of war at the end of 1941 and the heavy burden placed on the railroads and air lines by the movements of military forces and supplies made it necessary for the Office of Defense Transportation to ask that the A. B. A. convention be omitted in 1942. While the Executive Council met at the time the convention would have been held, it was not found possible to continue the usual annual rotation of officers through the elective process since under the constitution and by-laws an election could be held only at the general convention. However, at that meeting of the Council the Presidents of the Association and the divisions resigned and the Vice-Presidents moved up.

"Since the Executive Council also voted to hold the annual meeting of the Association in September it is not expected that this situation will recur this year. The changes adopted by the Council this week are designed to provide the machinery for meeting emergency situations.

"Amendments also provide that special meetings of the council may be called by the Administrative Committee when 'it seems expedient for the Association to forego its general convention by reason of the existence of war or other national emergency.' Another gives the Interim Committee, consisting of the Chairman, the President, Vice-President, executive manager and general counsel of the Association, and the Chairman of the Committee on Federal Legislation authority to make decisions regarding Governmental proposals or action affecting banks, as well as bills and departmental rulings provided that 'no such action shall be inconsistent with any resolution of the Administrative Committee, the Executive Council or the general convention.'"

Still another amendment would change the name of the Membership to the Organization Committee to consist of a Chairman and 12 members, to be known as regional Vice-Presidents.

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